

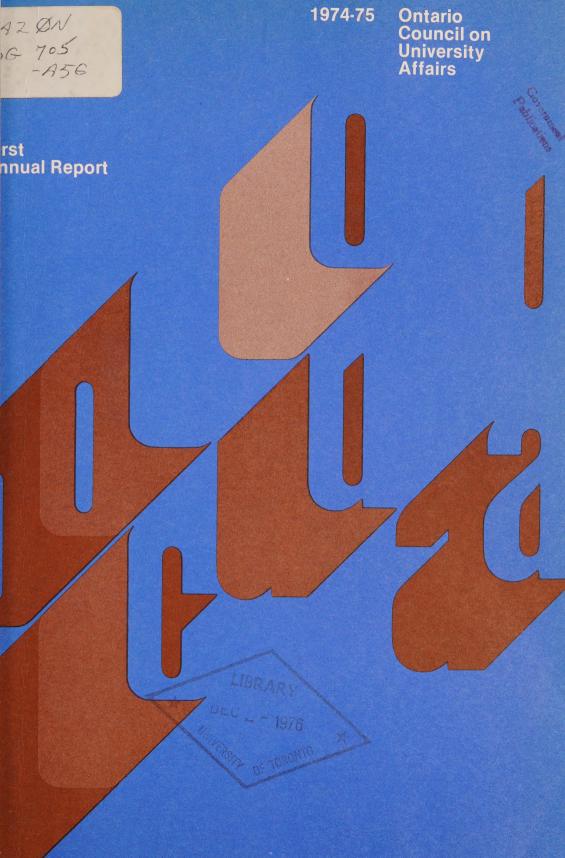
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Ministry of Colleges and Universities

James A. C. Auld, Minister

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#### **Letter of Transmittal**

April 30, 1975.

The Honourable James A.C. Auld, Minister of Colleges and Universities, 6th Floor, Mowat Block, Queen's Park, Toronto, Ontario.

Dear Mr. Minister:

I respectfully submit herewith the first annual report of the Ontario Council on Univers Affairs. This report covers the period from September 25, 1974, the date of Council's appointment, through February 28, 1975.

I have the honour to be, Sir,

Yours very truly,

J. Stefan Dupré Chairman

#### Members and Officers of the Ontario Council on University Affairs

Rt. Rev. Walter E. Bagnall (1976) Hamilton

Mary Butler Bush (1976) Guelph

John J. Deutsch (1978) Kingston

Antoine D'Iorio (1977) Ottawa

J. Stefan Dupré (1977) Chairman Toronto

James D. Fisher (1977) Toronto

Paul D. Fleck (1978) London

Reva Gerstein (1976) Toronto

Tamara Giesbrecht (1978) Waterloo

Lin Good (1977) Kingston

William A. Goyan (1977) Thunder Bay

Daniel G. Hill (1976) Toronto T. Rosaire Léger (1978) Cornwall

Alexander L. McCallion (1977) Hamilton

J. Fraser Mustard (1978) Hamilton

Margaret F. Orange (1978) Sudbury

R. Peter Riggin (1978) Toronto

Ronald S. Ritchie (1976) Ottawa

H. Harold Walker (1976) Toronto

John R. Yarnell (1977) Toronto

J. Peter Venton
Executive Secretary and Research Director

Nancy E. Simmons Associate Secretary

Ann W. Henriksson Research Officer

#### Introduction

The first annual report of the Ontario Council on University Affairs covers a "year" that began officially on September 25, 1974, the day of Council's appointment, and terminated February 28, 1975. This inaugural period was the prelude to a regular annual cycle that henceforth begins every March 1st, and is intended to ensure that Council, as Ontario's independent advisory body with respect to universities and certain other post-secondary educational institutions<sup>1</sup>, is closely in step with the decision-making processes of Government.

The conclusion of the "year that had five months" does not find Council in a position to reflect on its advisory mandate in the broad terms that it hopes will infuse future annual reports. It does, however, offer Council the opportunity to publish the several recommendations made in pursuit of its mandate during 1974-75, and to record the response of the Government of Ontario to these and to earlier recommendations made by a special committee of ministerial advisors empowered to act in the interim period between Council's appointment and the dissolution of its predecessor agency, the Committee on University Affairs.

Above all, Council is pleased to publish in full three textual memoranda that it considers its principal innovation as a new advisory agency on university affairs. Through such memoranda Council seeks to expose the reasoning that has led it to formulate its more important recommendations to Government. As an advisory body, Council is strongly of the opinion that the Government, the university community and the public are best served by full disclosure of the considerations it weighs in formulating its advice. Whether to expose Council's fallibility or demonstrate its sagacity, such disclosure is surely in the public interest.

Council's textual memoranda generate an agenda of important matters to which close attention will be given in the coming year.

These matters include the further refinement of equity in institutional financing, the clarification of objectives designed to ensure adequate funding of bilingualism, and a thorough review of the financial and institutional dimensions of university education in Northern Ontario. Broader questions of particular import were outlined by Council at the close of its inaugural year in a letter to university presidents inviting briefs to be discussed at Council's 1975 Spring Hearings. This letter, whose text is included in the present Report, raises questions with respect to such major topics as formula revision, tuition fees, accessibility, graduate studies and the status of women.

At the conclusion of its truncated inaugural vear. Council is above all aware of its major responsibility for the health of the Ontario university system in a setting where shifting governmental priorities and straitened economic circumstances pose severe challenges. For 1975-76, the Government of Ontario enunciated the following as its objectives with respect to university financing: "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases." There exist differences of opinion, to which Council has been party, as to whether or not the cost of meeting these objectives is in fact being met. Doubtless of even greater relevance for the future health of the university system, however, is the fact that the Government has not repudiated its objectives.

In Council's view, these objectives are indeed worthy and warrant serious long-term pursuit if Ontario's major investment in higher education is to be protected. This is not to say that the objectives in question are exhaustive. Of evidently growing concern within universities, about 80 per cent of whose expenditures are for personnnel, is the issue of fair and equitable salaries for academic and support staff in relation to comparable employees in the public sector. The high level of recent salary settlements in the public sector is bringing this issue into sharp focus. The enunciation by Government of a university funding objective that takes specific account of this issue may be necessary if cumulative inequities, which are a breeding ground of alienation and instability, are to be avoided.

<sup>&#</sup>x27;The institutions that currently comprise Council's terms of reference are the fifteen provincially-assisted universities (Brock, Carleton, Guelph, Lakehead, Laurentian, McMaster, Ottawa, Queen's, Toronto, Trent, Waterloo, Western Ontario, Wilfrid Laurier, Windsor, York, and their federated and affiliated institutions); the Ontario College of Art; the Ontario Institute for Studies in Education; Ryerson Polytechnical Institute; and the Bar Admission Course of the Law Society of Upper Canada.

This much said with respect to Government and its funding objectives, Council is equally concerned with the capacity of the university community to make its own contribution to the nealth of higher education through the most effective possible deployment of its resources. Government has of course long exhorted the universities in this regard. Council's own advice o Government in its inaugural year took account of the legitimacy of this exhortation. Council, however, is all too aware of the extent o which the discussion of effective resource allocation can become circumscribed by artifical notions of "productivity" that fetter the government-university dialogue with shiboleths.

As Council begins to develop its own contribution to enhancing the effectiveness of the university system, it ponders the extent to which this effectiveness must above all be a matter of cultivating the diversity and differentiation that are the true products of university autonomy.

#### Council's Advisory Memoranda

## 74-I Selected Graduate Programs

Council recommends to the Minister:

#### OCUA 74-1

Five-Year Plan for Graduate Development at Laurentian

That the plan recommended by the Joint CUA/COU Subcommittee on Goals and Policies for Graduate Development at Laurentian University be approved; and that the Minister approve funding of the plan, namely, BIU income for the Master's programs indicated, when the condition(s) for each program stated in this plan has (have) been met.

#### OCUA 74-2

New Graduate Programs in Anthropology and Geography at York

That, the embargo having been lifted, the new graduate programs in Anthropology and Geography at York be considered eligible for formula support.

#### OCUA 74-3

ACAP Report on Political Science That the embargo on the discipline of Political Science be removed on the understanding that continued monitoring of the recommendations in the Report on Political Science, 1974, will be the responsibility of the COU.

J. Stefan Dupré Chairman

# 74-II The Allocation of the Government's Expenditure Target for Operating Support in 1975-76

### Formula Support

On November 18, 1974, the Minister of Colleges and Universities announced to the Legislature of Ontario the Government's expenditure target for the operating support in 1975-76 of the institutions covered by Council's terms of reference. By letter on the following day, the Minister formally referred to Council the question of advising on the allocation of the sum of \$553 million. Council hereupon tenders the requested advice.

In announcing the Government's expenditure target for 1975-76, the Minister suggested that the options to be considered by Council with respect to the formula whereby operating grants are distributed among the fifteen provincially assisted universities, Ryerson and the Ontario Institute for Studies in Education include the following: (1) "a continuation of the present formula"; (2) "a system whereby one BIU value would be applied to 1973-74 enrolment to compensate for inflation and a lesser BIU value would be applied to enrolment growth in the current year"; (3) "a suspension of the operating grants formula" in favour of a flat increase that would be applied to each institution's operating grant for the current year.

Upon receiving the Minister's reference. Council assigned immediate priority to the task of ensuring that the university community be consulted with respect to the proposed options. Council accordingly created a tripartite working committee of officials chaired by its Executive Secretary and Research Director, and composed of two members nominated respectively by the Assistant Deputy Minister of Colleges and Universities (University Affairs Division) and the Executive Director of the Council of Ontario Universities. This committee was directed by Council to assemble the most reliable data available for measuring the financial implications for each institution of the three options offered by the Minister.

Upon receiving the working committee's report, Council immediately transmitted it to the university community through the Chairman of the Council of Ontario Universities, and invited a recommendation on the preferred method of allocation. By letter of December 5, 1974, Council was informed that the Council of Ontario Universities had decided to recommend the Minister's first option, namely that operating grants in 1975-76 be distributed under the present formula. Council later learned that the two associate members of the Council of Ontario Universities affected by the recommendation, namely Ryerson and the Ontario Institute for Studies in Education, wished to endorse it.

Three universities—Carleton, Lakehead and York—communicated reservations to Council about the COU recommendation. Noting these exceptions, Council observes that this recommendation enjoys the support of fourteen of the seventeen institutions it affects.

Such widespread support aside, Council assigns particular weight to the reasoning expressed by COU in advancing its recommendation. "We believe," states COU, "that the values of the formula system to the Ontario universities are so important that any suggestion of abandoning the present arrangements in the short term is unacceptable. Furthermore, because we are on a slip-year system, a change to the rules in mid-stream would be retroactive and inequitable."

Council believes that, under the present or any other formula, the prime requisite for the viability of a non-discretionary method of allocating university funds is the respect accorded to it by all concerned. Precipitous change can only erode such respect, and all the more so if its impact is arbitrarily retroactive in nature. Under such circumstances, equity is all too easily violated in the short run and confidence undermined in the long run. For these reasons above all, Council recommends to the Minister

#### OCUA 74-4

Formula Approach for 1975-76

That the present formula approach be applied in 1975-76 in determining the basic operating grants made to the universities, Ryerson and the Ontario Institute for Studies in Education.

#### **Bar Admission Course**

The Law Society of Upper Canada has been the recipient of provincial support on behalf of its Bar Admission Course since the transfer in 1968 of the Osgoode Hall Law School to York University. In addition to its operating grant, the Law Society was paid a special sum of \$75,000 per year for renovation expenses over a five-year period which expired in 1974-75. Since 1970, student enrolment, provincial operating grants, and net deficits for the Bar Admission Course have been as follows:

	Enrolment	Grants for Operating Purposes	Net Deficit
1970-71	482	\$250,000	\$ 4,043
1971-72	533	250,000	13,242
1972-73	685	275,000	56,558
1973-74	719	300,000	126,273
1974-75	828	350,000	311,490

These figures clearly reveal that provincial operating grants to the Bar Admission Course have had no direct relation to either enrolment or inflation. Council concludes that provincial policy, whether implicitly or explicitly, has been to support the Course through partial grants in aid, leaving the brunt of increased cost to be borne by the Law Society through its members, whose annual fees reflect in part the size of the deficit incurred by the Bar Admission Course. In that this policy has steadily shifted the burden of supporting the Course to the members of the profession for whose practice the course is the final qualification. Council appreciates that the result must be viewed in the context of an exception whereby the legal profession alone has been the beneficiary of provincial grants for instruction given directly by a recognized professional association. This exception raises questions of equity vis-à-vis other professional associations upon which Council may be expected to comment at a later date.

No doubt in part because the Province has had a partial grant-in-aid policy toward the Bar Admission Course, the Law Society has made decisions affecting Course finances on a highly independent basis. Of particular consequence has been the recent decision to decentralize the Course with the establishment of parallel Courses in Ottawa in 1975-76 and

ondon in 1976-77. The possibility of decentrallation was discussed only in vague terms at the time the Law Society made its final apparance before the Committee on University fairs in December, 1973. Nor, to the best of the knowledge, was there any consultation with the Ministry of Colleges and Universities in the the that intervened until Council was aptaised of the decision upon receiving the brief or the December, 1974, hearing of the Law ociety.

These remarks are not intended as a reflecon on the intrinsic wisdom of the Law ciety's decision. Council is well aware that e Bar Admission Course has no control over enrolment and that the alternative to deentralization is doubtless further expansion Course facilities in Toronto, But insofar as e provincial government is being asked to are in the costs arising from this decision. ouncil must weigh the fact that projected ourse enrolment for 1975-76 is only 22 udents above the 1974-75 count of 828. gether with the opinion, expressed on ecember 3, 1973, by the Director of the Bar mission Course to Council's predecessor ommittee, that the capacity of the Bar mission Course as then constituted was 000 students. Council, of course, appreciates mpathetically the less than satisfactory contions that now prevail as Course capacity in pronto is being stretched to the limit, but knows as well that such a situation characrizes many university programs in the current scal climate. Under such circumstances, it is e opinion of Council that the costs of a deentralization decision made on its merits by e Law Society should be borne by the Society. For the rest, the question of what constitutes appropriate level of provincial support in 975-76 must take into account the Law ociety's action with respect to student fees. ne Society informed Council in December at it had decided to raise the Bar Admission ourse fee in 1975-76 by \$75.00 to \$475.00. advising on the allocation of the governent's expenditure target amount of \$553 illion, Council is abundantly aware of the overnment guideline "that there will be no crease in student tuition fees." The case for cempting the Bar Admission Course from this ideline lies in its quite peculiar status and in

the fact that past provincial support is best described as a partial grant-in-aid. Also, it can be cogently argued that a professional society's students should be asked to share some part of the burden of increasing costs with that society's regular members. On the other side, however, there is the fact that the additional Bar Admission Course fee will affect the level of OSAP support for which its students are eligible. Provincial desire to control OSAP costs is precisely one of the reasons given for the government's guideline with respect to fees. There is also the consideration that the provincial guideline was clearly enunciated in the context of the Government's global expenditure target, and that any exceptions to this guideline are not easily defensible in equity.

On balance, Council is of the opinion that it cannot altogether dismiss the impact of the Law Society's tuition fee decision, however peculiar the nature of the Bar Admission Course. At the same time, however, the evidently special provincial policy of only partial grants-in-aid does not appear compatible with a reduction in support calculated to reflect the precise increase in fees. Council concludes that fairness and equity under the circumstances indicate, for the present, a "red circling" of the 1975-76 grant to the Law Society at the 1974-75 level. Accordingly, Council recommends to the Minister

OCUA 74-5

Grant to the Law Society of Upper Canada, 1975-76

That a grant of \$350,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1975-76.

#### Ontario College of Art

Provincial grants to the Ontario College of Art apparently have been derived informally by applying the prevailing BIU value to anticipated enrolment for the year in which the grant is received. An increasing BIU weight has been attributed to anticipated enrolment in each of the last four years, reaching a level of 1.3 in 1974-75. The amount of grant is then approximated by subtracting from Basic Operating Income the College tuition fee (currently \$455) times its anticipated enrolment. Anticipated enrolment for 1975-76 is 1,200 FTE students.

The principal requests addressed to Council in the College's December brief were for an improved level of funding at a 1.5 BIU weight and changes in legislation to grant the College the right to award degrees. Council wishes to preface its comments on these requests by paying the highest tribute to the College for its progress from the situation, described in its own words as "massive chaos," in which it found itself three years ago. This progress can only be viewed with the most profound admiration.

Our prefatory tribute to the College for its successful transition from a chaotic state leads to what Council deems to be the fundamental question in approaching the College's requests for 1975-76. This question is whether the transitional period so successfully negotiated thus far can be deemed to be at an end. Recognizing in full the admirable degree of progress that has been made, Council concludes that its answer should be negative at this time. The College is now in search of a new president, and given the present incumbent's leadership role in the transition, we deem the installation and early contribution of his successor as an important factor in bringing recent progress to full fruition. The case advanced by the College for degree-granting status is impressive, but Council would not feel prepared to advise on this matter without an outside opinion from experts. Any expert team would understandably wish to visit the College, its staff and students, and can only gain substantially from the opportunity of discussing matters with the individual who will be its next chief executive officer.

The matter of degree status cannot be divorced completely from the College's financial request. This request is justified in part by analogy to fine art programs in universities. Awarding a weight of 1.5 to the College's enrolment at this time could paradoxically result in decreased financial support once the College received degree status. This is because the analogy to fine art departments would then indicate that the College should be fully on formula, thereby having the higher formula fee that now applies to university fine art departments deducted from its Basic Operating Income. (The formula fee for fine art is \$580 in contrast to the College fee of \$455.) Since Council continues to view the College as being in a transitional phase, it is strongly of the opinion that its approach to funding for 1975-76 should avoid pre-judging the time at which the College should be placed "on formula" or the level of formula treatment that would then be appropriate. In the same spirit, Council believes that it need not feel bound to make a strict application of the elements apparently borrowed from the formula in approximating the level of the College grant in recent vears. After due consideration, Council has come to the conclusion that, for 1975-76, \$2,850,000 would represent an appropriate level of operating support to which should be added the special annual payment of \$50,000 for property rental committed under an agreement reached in 1972-73. Council therefore recommends to the Minister

#### OCUA 74-6

Grant to the Ontario College of Art, 1975-76 That a grant of \$2,900,000 be made to the Ontario College of Art for 1975-76, it being understood that this amount includes the special payment of \$50,000 for property rental committed under an agreement reached in 1972-73, and that existing policy with respect to money for taxes on leased property will prevail.

ilingualism Grants

he Government of Ontario has made special ilingualism grants in recognition of the costs ncurred for this purpose by various institutions ince 1967-68. A complete tabulation of these rants is given in the following table. Only in 968-69 and 1969-70 were bilingual grants alculated on a specific and uniform basis. In nose years, the two recipient institutions. aurentian and the University of Ottawa, each eceived grants equal to 7% of their Basic perating Income net of non-formula grants. hereafter, the level of bilingualism grants was eft to vary with prevailing annual judgements which, however sympathetically couched, were argely unexplained. In its final Report, the Committee on University Affairs noted frankly nat it would "not argue that its recommendaons regarding bilingual grants during the past everal years have accurately reflected the ctual costs to each institution concerned." he pattern of grants revealed by the followng Table, often featuring no change in the rant received by an institution from year to ear, do indeed beg such questions as inflation, nrolment growth, incremental costs and ncremental savings. In January of 1974, the CUA Subcommittee on Grants for Bilingualism oncluded its report by recommending that the study of this problem be continued and/or eferred to CUA's successor."

Council accepts the challenge wholeheartedly nd, indeed, assigns the highest priority to such tudy, inviting the close cooperation of the new dvisory Council on Franco-Ontarian Affairs is soon as it becomes a functioning entity. For the moment, Council remains beset by the ame ambiguities that so complicated the final years of its predecessor body.

In tendering advice on bilingualism grants for 1975-76, Council begins with the following observation. It has become apparent to Council that existing grants, whatever their level, finance at least three objectives. A first is to provide educational opportunities in their own language to Franco-Ontarians. A second is to make available in institutions of different size parallel course streams in a bicultural ambiance for both English and French language groups. A third is to provide more or less fully bilingual and bicultural exposure to anglophone and/or francophone groups.

In a very general sense, Council has formed the impression from briefs and hearings that the several institutions now receiving bilingualism grants pursue these objectives to rather different degrees. The University of Ottawa, by far Ontario's senior bilingual university, pursues all three objectives. At Laurentian, Council finds a plainly emergent situation with respect to bilingualism in which the pursuit of the first objective seems to predominate. Glendon, if we may permit ourselves a final example, appears to give more emphasis at present to the third objective while precluding neither the first nor the second.

Accepting all three objectives as laudable in themselves, Council believes that their pursuit critically underlies the question of allocating bilingualism grants among eligible institutions. Should these grants encourage the pursuit of all three objectives everywhere? If not, what institutions should be encouraged to give absolute or limited priority to one objective over another? A bilingualism grant policy clearly raises more profound questions than cost information, and it is not least for this reason that Council sees great wisdom in the CUA

illingualism Grants—(dollars)							
	University of Ottawa	Laurentian University	Glendon College	Collège de Hearst	University of Sudbury	St. Paul University	Total
967-68	1,080,000	155,000					1,235,000
968-69	1,390,083	219,880					1,609,963
969-70	1,575,323	278,653					1,853,976
970-71	1,500,000	390,000					1,890,000
971-72	1,500,000	450,000	100,000	18,000			2,068,000
972-73	1,500,000	540,000	100,000	20,000			2,160,000
973-74	1,887,000	540,000	128,000	13,600	10,700	19,300	2,598,600
974-75	2,100,000	540,000	128,000	15,000	12,000	23,000	2,818,000

observation that "the search for a universally applicable formula should be abandoned for the foreseeable future." Furthermore, Council is of the opinion that the search for an equitable distribution of bilingualism grants must rely as much on thoughtful policy analysis as on hard cost accounting.

In the absence of the needed study, Council is loathe to disturb the existing distribution of bilingualism grants among Ontario universities with the single exception of the University of Sudbury, whose bilingualism grant in 1975-76 should reflect the full support accorded to church-related colleges, other than theology, as of September, 1974.

Laurentian University did receive a special grant on appeal during 1974-75, a portion of which was said to recognize bilingualism costs, but this grant was categorized by the Minister as supplementary support. In equity to the several institutions concerned, Council deems Laurentian's official bilingualism grant for 1974-75 of \$540,000 as representing its share in the existing distribution of bilingualism grants.

There remains the question of the level of these grants in 1975-76, a question which finds Council chilled by the winds of fiscal austerity. At once exposed to the elements, and hopeful that its projected study will be the prelude to more auspicious conditions, Council has concluded that, with the sole exception of the University of Sudbury noted above, the 1974-75 bilingualism grants should be increased by approximately 10%. Accordingly, Council recommends to the Minister

OCUA 74-7
Bilingualism Grants, 1975-76
That bilingualism grants for 1975-76 be awarded as follows:

Ottawa	\$2,310,000
Laurentian	600,000
Glendon	140,000
Hearst	20,000
Sudbury	25,000
St. Paul	25,000

#### **Supplementary Grants**

In tendering allocative advice for 1975-76 the single most contentious issue with which Council must grapple is that of supplementary grants. Since formula support not only prevails but is widely respected by the university community, supplementary grants raise the gravest questions of equity between recipient and non-recipient institutions. Equity questions of similar gravity arise among recipients. The difficulties that beset decisions on supplementary funding are to this new body highlighted by the fact that four of the seven universities accorded supplementary support in 1974-75 appealed the amounts initially granted.

Three short months after its initial meeting. Council does not pretend to have emerged as a repository of wisdom on supplementary support, but it is Council's good fortune that the university community was awaiting its birth with a singularly important document, the Statement of Principles on financing issued in June, 1974, by the Council of Ontario Universities. This Statement assumed a central position on Council's autumn agenda, and was discussed at length with every university in the province. The process gave Council both the opportunity of taking an elementary course and the obligation of facing the examination at which it now sits. The more sophisticated questions such as, "How would you revise the present Ontario formula?" await the intermediate and advanced courses to which Council will hopefully be permitted to proceed. For the moment, the assignment is "Within the context of the existing formula, write an essay justifying supplementary grants and the level of such grants, if any, in 1975-76."

#### An Over-riding Principle

In a university system financed on the present or any other formula, there is a single and over-riding principle to which Council believes every supplementary grant should conform. This principle is that the *raison d'être* of a supplementary grant is to serve the goal of equity. Precisely because it is "supplementary," the purpose of a supplementary grant is to correct an outcome whereby the application of the formula to a given university has left that university in an inequitable position *vis-à-vis* its sister institutions.

eficits

follows that the existence in any single niversity of a deficit is at best only the most reliminary indicator of formula inequity. But a eficit, per se, provides no justification whatver for supplementary support, let alone a eans of approximating what the level of that upport might be. A given university may share deficit position with all its sister institutions if ne revenue generated by the formula in any articular year is sufficiently low that expendiires cannot be adjusted accordingly within the me framework required. Here the deficit osition gives reason for reflecting upon either ne adaptive capacities of universities generally r the responsible behaviour of the granting overnment.

Alternatively, a university may have a deficit ecause of poor management. In this circumtance, its deficit position is the quantitative expression of the principle of institutional ecountability. Any formula approach must ecessarily encourage the efficient and effecture use of public funds. To accord supplementary support to an institution simply because it as a deficit undermines a key incentive to good management.

If Council has taken pains to emphasize the mportance of what it deems a fairly obvious oint, this is because it was frankly surprised by the tendency of certain universities to base heir supplementary grant requests on their projected excess of expenditure over income. To repeat, Council deems a deficit to constitute to most a preliminary indicator that a miversity may be inequitably treated under the prevailing formula. As to the idea that deficits an themselves justify the existence or the level of a university's supplementary grant, Council ejects the notion out of hand.

Criteria

The COU Statement of Principles and its ppended exhibits delineate a number of riteria for supplementary support. The uniersities, in their oral and written submissions of Council, offered a considerable range of epinion on these and other criteria. For its present purpose, Council believes it should comment upon the four criteria summarized in exhibit 1 of the Statement of Principles as size, mix, undergraduate versus graduate orientation, and geographical location.

#### Size

This criterion for supplementary support is as old as the present formula. It is based on the reasonable, if not precisely verifiable, assumption that most enrolment-related formulas do not recognize the minimum level of fixed costs below which a university simply cannot operate as such. The so-called "emergent" grants made by the Province to small institutions until 1974-75 thus attempted to compensate for what would otherwise have been a formula-generated inequity. Four small universities continued to receive supplementary support when the "emergent" grant designation was dropped in 1974-75: Brock, Lakehead, Laurentian and Trent.

Council deems it most important to avoid tendering advice on supplementary support which would prejudge whatever outcome formula revision might indicate for the recognition of fixed, as distinct from variable, costs. In this context, Council would not wish to refine the size criterion into anything other than a blunt instrument. Wielded accordingly, the size criterion simply poses the question, "At what point has a small university reached the minimum enrolment at which it can be expected to achieve viability?" The old emergent grants basically recognized the size criterion in this form. As such, the size criterion does not seek to turn small universities into large ones; it simply implies an enrolment threshold at which a small university, given reasonable internal aims and objectives, should be able to fulfill expectations of viability without supplementary support.

Given its approach to size, Council cannot accept one of the arguments advanced by the University of Windsor as grounds for a supplementary grant in 1975-76. Windsor's enrolment is indeed in a category of its own, but a blunt instrument cannot distinguish such conditions as "unique size." In this connection, Council observes that the University of Toronto has a "unique size" of its own in the Ontario system. Nor can the size criterion, always used as blunt instrument, reach beyond the size of a university as a whole to the size of individual faculties and divisions. If it is true, as the University of Windsor contends, that its Arts, Science and Engineering faculties create problems generated by relatively small size, so too may this be so of, let us say, Medicine at Queen's.

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Council concludes that the size criterion can only be of assistance at present in helping to resolve the level of what supplementary support, if any, might be accorded to the five evidently small universities in the Ontario system—Brock, Lakehead, Laurentian, Trent, and Wilfrid Laurier

In reaching this conclusion, Council has not overlooked the special cases posed by Laurentian's three affiliated colleges-Algoma, Hearst and Nipissing. These are indeed small institutions, but they are organizationally unique. It follows that a size criterion applied in the context of general Ontario university support cannot accommodate their peculiarities. It would be possible, of course, to devise a guite distinct size criterion geared to what might be deemed a minimum threshold point appropriate to them. Council has reflected upon this possibility, but has rejected it in the light of its broader implications. Supplementary support must above all pursue the goal of equity as viewed in the context of the Ontario university system as a whole. To adapt the size criterion to what are patently exceptional institutions in a single part of the province would be to raise the proposition of whether comparable institutions, if created elsewhere, should warrant similar encouragement. The appropriateness of semi-autonomous university colleges as a component of the Ontario university system generally is most definitely a question which Council is not prepared to beg at this time. It follows that Algoma, Hearst and Nipissing, if they are to receive nonformula support, should be treated outside the context of supplementary grants proper.

#### Mix

Applied to the pattern of fiscal support generated by the various weights that characterize the present formula as a whole, this criterion seeks to justify supplementary support for universities that might assume an inequitable position because of a disadvantageous mix of undergraduate, graduate and professional programs. Given the separate criterion of "undergraduate versus graduate orientation," the mix criterion is best considered in the more specific context of professional as opposed to non-professional programs. The mix criterion can then be examined in the shape of the following proposition: "The higher weights accorded by the formula to professional programs

make it possible for all or most universities to run these at a financial profit, whereas other programs tend to generate financial losses." It would, of course, follow from this proposition that a university with no, or relatively few, professional programs would qualify in equity for a supplementary grant.

Council's evidence at the moment is, admittedly, incomplete and impressionistic, but its entire thrust is to the effect that the above proposition is ill-founded. Council has received both oral and written testimony to the effect that existing weights for Law and Nursing are inadequate. Indeed, the Committee on University Affairs evidently deemed the law weight so inadequate that it recommended an increase of one-third from 1.5 to 2.0. Other evidence before Council indicates that Medicine, Engineering. Social Work and even Journalism do anything but profit their home institutions financially. Council can only conclude that the present formula is such that the mix criterion offers no justification for supplementary support to universities "disadvantaged" by the absence of professional programs. If anything, a mix criterion might justify such support in reverse. Here, however, Council is firmly of the opinion that the remedy lies in formula revision rather than supplementary grants.

Undergraduate versus Graduate Orientation
This criterion gave rise to at least three distinct propositions in the course of Council's hearings. One is that the existing formula weighs graduate work more generously than warranted by the costs of graduate relative to undergraduate instruction. A second is that, formula weights aside, graduate students reduce the costs of undergraduate programs by discharging instructional services at a lower cost than regular faculty. A third is that graduate students, either because of their imputed formula weights or their expertise, are an important asset in financing research costs.

The above propositions, to be sure, are relevan to formula revision and warrant detailed analysis in that context. Where supplementary grants are concerned, Council must be content with a cursory examination as to whether these propositions can be used to justify supplementary grants in 1975-76. In this context, the following Table indicates the relations that full-time graduate and doctoral registrations in Ontario

niversities bear to their enrolments. This is an xtremely crude exercise, but it has the sobering benefit of placing supplementary grant equests in a rough equity framework. The ercentage of doctoral students to enrolment is f particular interest in that, formula weights side, it is from this pool of advanced graduate tudents that universities are presumably most kely to draw instructional and research serices. In particular, Council has considered thether this measure can offer any justification or supplementary support to the three "large" niversities that have requested it, namely carleton, Windsor and York.

It seems clear to Council that these universities ave virtually no claim in equity for a supplementary grant based on the undergraduate ersus graduate criterion. Such a grant to York, reven Carleton, would beg the question of upplementary support for Queen's, Western and Guelph, and even a grant to Windsor would isturb its relation in equity to Guelph. Council not inclined, under such circumstances, to pply the undergraduate versus graduate critical to the benefit of Carleton, Windsor or ork.

Council observes that the list of universities ith zero doctoral enrolment corresponds preisely to the list of smaller provincial instituons. But as with universities whose profesonal programs may be disadvantageous in the ght of a reverse application of the mix proposion, Council deems it wise to defer a judgement requity on the consequences of underraduate versus graduate orientation for small niversities until the task of formula revision as permitted more detailed analysis.

#### eographical Location

o say that universities are affected by their eographical location is to assert that they are ifluenced by the essential reality whereby intario's enormous social, economic and physial diversity is a fundamental fact of life. A niversity tucked into the southwestern corner the province is affected by geographical cation as is one on its eastern borders. Again, ist as geographical location affects a university downtown Toronto, so too does it have a bearig on one at the northern edge of the same letropolitan area.

Percentage of Full-Time Graduates to Fu	II-time
<b>Enrolment in Ontario Universities: 1974-7</b>	75

Enrolment in Ontario Universities: 1974-75				
University	All Full-time Graduates as percentage of Full-time Enrolment	Full-time Second-Stage Doctoral as percentage of Full-time Enrolment		
Brock	2.3%	0		
Carleton	8.5%	2.1%		
Guelph	5.9%	1.2%		
Lakehead	3.6%	0		
Laurentian	1.8%	0		
McMaster	13.3%	5.2%		
Ottawa	10.5%	3.2%		
Queen's	9.9%	2.6%		
Toronto	13.3%	5.4%		
Trent	0.6%	0		
Waterloo	8.9%	3.2%		
Western	8.8%	2.2%		
WLU	8.4%	0		
Windsor	7.0%	1.8%		
York	9.4%	2.8%		

Source: November 1, 1974, UAR forms

Any particular geographical location can confer advantages as well as disadvantages, and the distinction between the two is as likely to be grounded on subjective preference as it is on objective fact. There is also the consideration that Canadian ingenuity has been known to exploit geographical location in such ways that disadvantages have been translated into advantages.

Such are the reflections that have led Council to harbour serious doubts as to whether geographical location per se can be moulded into an operational criterion for supplementary grants. Given the over-riding principle that such grants must be grounded in equity, the difficulty of distinguishing recipient from non-recipient institutions in a setting where all must grapple with a fact of Canadian life appears profound. To the extent that university financing might be made geographically sensitive, this is an objective that might be listed among the considerations to be examined in the process of formula revision, and here geographical sensitivity may become a trade-off against admin-

istrative simplicity. For the present, Council is impressed by the common-sense proposition that universities should be expected to cope with the realities of the Canadian environment.

This is not to rule out the question of recognizing that particular geographic circumstances may warrant special treatment as a matter of deliberate public policy. Indeed, Council has come to the conclusion that this is precisely what the Government of Ontario should consider at this time with respect to its two northern universities, Lakehead and Laurentian. But here the question of equity becomes refined by a deliberate policy decision, as in the case of the Government's distinct grants for bilingualism. Council is prepared to make a recommendation in this regard, but not within the context of supplementary grants.

#### Other Criteria

If Council is concerned with formulating yet other criteria in the absence of the more detailed study that its short existence has precluded, this is because Council presently finds itself short of an adequate rationale for supplementary grants to the three larger universities that have requested them—Carleton, Windsor and York. Council does not doubt the word of these universities that they have problems. Council's difficulty lies in determining whether the problems of these universities are such that they create a case in equity for supplementary compensation to the exclusion of other institutions.

To take a simple example, relatively slow growth may indeed create a problem under a formula that equates marginal and average costs even though the former might be assumed to be lower than the latter. But taking the last three years as a whole, the three universities in question show divergent growth patterns, not only among themselves, but in relation to others as well. In equity, the question of relative growth is further clouded in a setting where the introduction of slip-year financing had its most adverse consequences in the highest-growth institutions.

It appears to Council that if Carleton, Windsor and York do indeed have a case for supplementary support in equity, this is because a number of problems that have beset universities generally have assumed a more actute form within these institutions than elsewhere.

Council cannot identify these problems specifically, or their relative degree of acuteness. Granting the existence of problems, there is the further question of whether they might have been left to assume acute proportion through lack of internal response within the three universities in question.

Under these circumstances, it seems to Council that any supplementary support accorded at present to Carleton, Windsor and York should be plainly transitional in nature. The case for such support in equity is far from clear and begs a host of questions that include such internal possibilities as unresponsive planning, course proliferation, incapacity to deal with internal enrolment shifts, and overstaffing.

In emphasizing the transitional quality that should characterize supplementary support to these universities. Council is according temporary validity to what might be called a "mystification criterion" for supplementary support. To this criterion can be added the important fact that the Committee on University Affairs last year deemed Carleton, Windsor and York to have problems warranting supplementary support. This fact impels Council to resolve its mystification to the benefit of these three universities in 1975-76, given the strong expectations that last year's action apparently aroused in their administrations. But they should now be asked to accept Council's stipulation that henceforth specific reports be submitted to it by the three universities documenting progress in the identification and solution of their problems, with their particular attention concentrated on showing why, in equity, such support should not be phased out within the next two or three years.

Supplementary Grants to Carleton, Windsor, and York

In the context of the above, Council has addressed itself to determining the level of supplementary grants that might be accorded in 1975-1976 to Carleton, Windsor and York. With respect to Carleton and Windsor, Council has been inclined to accord great weight to the internal expectations apparently aroused by the amounts of supplementary support made available in 1974-75. Whether or not they are justified, such expectations may already have

guided internal budgetary decisions in these universities to a point where whatever probems mystify Council would only be exacerbated by reduced supplementary grants.

As to York, which received a relatively low supplementary grant in 1974-75, Council is of the opinion that supplementary support accorded under strictly transitional terms should bear at the outset some minimally consequential relation to formula income. Upon these considerations, Council recommends to the Minister

#### **DCUA 74-8**

Supplementary Grants to Carleton, Windsor and York, 1975-76

That supplementary grants in the following amounts be awarded to Carleton, Windsor and fork in 1975-76:

Carleton	\$1,450,000
Nindsor	720,000
/ork	750,000

Having made the above recommendation, Council keeps under advisement certain other requests received from several universities including Carleton, Windsor and York for assistance unrelated to supplementary grants. In particular, Council may subject to expert study the case of the University of Windsor for compensation with respect to certain dormitories acquired from Assumption University in 1968.

Supplementary Grants to Small Universities or reasons already stated, Council believes nat the size criterion, wielded as a blunt instrunent, offers justification in equity for supplenentary support. The key question involves the ritical enrolment threshold at which a small niversity should be able to fulfill expectations f viability without such support. Council is ware of the multiple and inconclusive efforts hade by COU and others to determine this oint mathematically in the past. In launching is own approach to the problem, Council is bove all impressed by the fact that the evilence before it includes a specific statement on he point at which one of Ontario's small uniersities is prepared to consider itself viable inder the existing formula.

In presenting his university's brief, the President of Brock University noted an enrolment reporting error of some 200 FTE students and observed that, prior to the discovery of the error and the announced level of provincial operating support, "we had hoped that this would be a year in which Brock would not make any special pleading and regret we must now resume a mendicant position." To the extent that Brock's resumed position is attributed by that institution to provincial operating support affecting universities generally, Council can devise no remedy that it can justify in the context of its principles governing supplementary support. On the other hand, Brock's shortfall of 200 FTE students assumes great relevance in signalling to Council the extent to which that University now considers itself below its critical enrolment threshold, and has aided Council considerably in arriving at what it deems an equitable level of supplementary support for that university in 1975-76.

In considering the merits of the submissions received from the other small universities with respect to supplementary support, Council has deliberately refrained from applying a "Brock rule" to the determination of their size threshold. For one thing, Council has before it a statement from Trent University indicating that a threshold level appropriate to that institution might be reached at an enrolment lower than Brock's. For another, Council appreciates the potential pitfall of applying a uniform threshold level to universities whose shared characteristic of small size masks substantial heterogeneity. The latter consideration leads Council to urge that Lakehead, Laurentian, Trent and Wilfrid Laurier take serious stock of their aims and objectives with a view to assisting Council in resolving the problem of their critical enrolment threshold for the future. Council asks that this exercise be undertaken in each instance with full regard to the slower population growth and eventual decline anticipated over the coming years in the 18 to 24 age group, and points out that it will doubtless weigh the progress achieved in each exercise when the time comes to advise on supplementary support for 1976-77.

With respect to 1975-76, Council has come to the conclusion that Wilfrid Laurier University,

## The BIU Value Under the Government's Expenditure Target for 1975-76

without prejudice to the results of the exercise contemplated above, does not at present advance a persuasive case for supplementary support. As to the other small universities, Council, having duly weighed their relative sizes, recommends to the Minister

#### OCUA 74-9

Supplementary Grants to Brock, Lakehead, Laurentian and Trent, 1975-76
That the following supplementary grants related to size be made in 1975-76:

Brock	\$ 470,000
Lakehead	1,240,000
Laurentian	820,000
Trent	1,780,000

In the opening section of this memorandum, Council advised the Minister that the present formula approach should be applied in 1975-76 to the operating grants made to the universities. Ryerson and the Ontario Institute for Studies in Education, Having so advised, Council has taken pains to disclose the reasons that have led to its several recommendations with respect to non-formula grants in 1975-76. The levels recommended are to some extent conditioned by existing fiscal realities, but Council has made every effort to produce a result that it deems fair and equitable, whether under the Government's existing expenditure target or under a moderately greater amount. Council has reconciled in the following Table the cost of its non-formula recommendations with the Government's expenditure target and,

Formula and Non-formula Su	upport under the
Government's Expenditure T	arget, 1975-76 (\$000)

and the same of th	(+++++
Non-formula Support	
Law Society of Upper Canada	350
Ontario College of Art	2,900
Bilingualism Grants	3,120
Supplementary Grants	7,230
	13,600
Formula Support	
Contingency	1,127
Formula Grants @ \$2,108 BIU Value	538,273
	539,400
Total Support	553,000

with due allowance for contingencies, recommends to the Minister

#### OCUA 74-10

BIU Value under the Government's Expenditure Target for 1975-76 That the BIU value for 1975-76 under the Government's expenditure target of \$553 million be not less than \$2,108.

J. Stefan Dupré Chairman

February 1, 1975

## 4-III Northern Ontario

Advisory Memorandum 74-II, Council pressed the opinion that problems arising om geographical location are decidedly usive and accordingly fail to offer a rationale efficiently definable in equity to justify supplementary grants in the Ontario university system a whole. The advisability of devising a unirisity financing scheme that is geographically insitive is, if anything, best assigned to the ultitude of considerations in the docket of rmula revision.

This much said, Council wishes to emphasize at its opinion does not rule out the question of cognizing that particular geographic circumances may warrant special treatment as a atter of deliberate public policy. Indeed, puncil has come to the conclusion that a positive move in this direction is urgently in the ablic interest at this time. Such a move first wolves identifying a truly extraordinary set of eographic circumstances whose recognition rooks no delay. It requires secondly a specific overnmental response based on a clearly enciated decision.

Nothing in its brief experience has impressed ouncil more profoundly than the naked aparance of what are indeed extraordinary eographic circumstances in Northern Ontario. all-encompassing and peculiar are these rcumstances that the adjective "geographic" ils to do them justice. They may arise from ographic location in the first instance, but they e also profoundly historical, social, economic id environmental in nature. Short of turning advisory memorandum into a catalogue. ouncil makes the following observations. There is simply no southern counterpart to the iture of the extension offerings disseminated er tens of thousands of square miles by Lakeead, Laurentian and the latter's affiliated colges. The Northern environment generates articularly intense needs for regionally oriited research and services applied to sectors at range from the problems of native peoples those of natural resource industries. There is e sheer weight of the community contribution northern universities to an enormous area that in never have access to the full spectrum of iltural and social amenities available in the outh. Then there are less cosmic yet severely actical problems, such as the added instituonal costs of fuel and travel that are a direct

legacy of the environment, and the costs of attracting and retaining qualified personnel in the area.

The Government of Ontario has given increasing financial recognition to the special northern environment in a number of sectors. Council believes most firmly that the time to accord such recognition to Northern universities is if anything overdue. Just as in another context the Government has singled out bilingualism as a distinct object of public policy and earmarked special university grants for this purpose, so too should it now make the deliberate policy choice of extending the financial expression of its special concern for Northern Ontario to the universities of that area.

A deliberate decision accompanied by some immediate degree of financial recognition is deemed by Council to be the all-important first step. Given a policy choice to recognize the fiscal problems of Northern universities, the calculation of the levels of assistance that would articulate this policy in precise terms should await the careful examination it deserves. Such examination should not proceed in isolation from the study of what Council has discovered remains a perplexing question in the Northern context of post-secondary education—the relation between universities and colleges of applied arts and technology. Here Council will set out by inviting the close cooperation of its sister advisory agency, the Council of Regents. In proceeding from there, Council will be mindful of the fact that CAAT/university relations in the eastern portion of Northern Ontario are not entirely disassociable from the special relationship between Laurentian and its semiautonomous affiliated colleges—Algoma, Hearst and Nipissing.

As to the immediate need to give tangible fiscal recognition to a policy of Northern Ontario grants, Council has reflected on the fact that the Government of Ontario currently accords to Northern municipalities special assistance calculated as a percentage of their net general levies. Given the quite different mode of financing universities, the base to which Northern Ontario grants might be related in the first instance is formula income. Council is sufficiently confident of the merits of this proposition to endorse its application to Lakehead and Laurentian Universities. Bearing in mind the special

assistance currently accorded to Northern Ontario municipalities, Council believes that an initial Northern grant to Lakehead and Laurentian of roughly 5 to 6 per cent of their respective formula incomes would represent a judicious balance between tangible fiscal recognition now and potentially higher assistance documented by adequate study later. Council wishes to underline with all the emphasis at its command the appropriateness at this time of a clear-cut decision by the Government of Ontario to adopt a policy recognizing the special fiscal problems of providing university education in Northern Ontario, and accordingly recommends to the Minister and the Lieutenant Governor in Council

#### OCUA 74-11

amounts:

Northern Ontario Grants to Lakehead and Laurentian Universities, 1975-76
That the Government of Ontario adopt a deliberate policy of according special assistance to university education in Northern Ontario, and that Lakehead and Laurentian Universities, without prejudice to such higher levels of support as special study might justify in 1976-77 and beyond, be awarded in 1975-76
Northern Ontario grants of the following

Lakehead	\$550,000
Laurentian	\$550,000

Should the Government of Ontario adopt a deliberate policy of according special assistance to university education in Northern Ontario, Council would urge that Laurentian's three semi-autonomous affiliates, Algoma, Hearst and Nipissing, also benefit immediately from such a policy. These institutions are in every sense unique, and so much so indeed that Council has upon reflection deemed it inadvisable to approximate an appropriate level of initial funding from Northern Ontario grants in relation to formula income. As to funding levels beyond 1975-76, Council cannot remotely anticipate even in general terms the outcome of its projected study of post-secondary education in Northern Ontario. Of potential import, for example, is the method whereby Northern

Ontario grants might in future best be channelled to Algoma, Hearst and Nipissing, Given the fiscal autonomy of these institutions from Laurentian University, it may be that Northern Ontario grants, like formula support, are best placed directly in their hands. On the other hand, careful study of the academic interstices between Laurentian and its affiliates might indicate that the Northern Ontario grants to Algoma, Nipissing and Hearst might be allocated through Laurentian, thereby forging a fiscal link at the margin of the relationship that ties these institutions to Laurentian academically. Meanwhile for 1975-76, and without prejudging the merits of alternative funding methods and levels in future years, Council recommends to the Minister and the Lieutenant Governor in Council

#### OCUA 74-12

Northern Ontario Grants to Algoma, Hearst and Nipissing

That Northern Ontario Grants be awarded in 1975-76 to Algoma, Hearst and Nipissing in the following amounts:

Algoma	\$90,000
Hearst	\$30,000
Nipissing	\$60,000

J. Stefan Dupré Chairman

February 1, 1975

#### '4-IV Government Support or the University System in 975-76

Operating Grants:
The Adequacy of the 1975-76
Expenditure Target for Meeting the Government's Objectives

this Memorandum, Council sets forth its dependent views on Government support for le Ontario university system in 1975-76. These ews are developed under two headings, perating grants and capital assistance.

#### The Nature of Council's Exercise

On November 18, 1974, the Minister of Colleges and Universities announced to the Legislature of Ontario the Government's 1975-76 spending target for the operating support of the university system that comprises Council's terms of reference. Under the explicit guideline "that there will be no increase in students' tuition fees." the Minister stated: "We believe that this amount is sufficient to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases." In this memorandum Council takes these three enunciated objectives strictly as given and attempts to answer the question, "Is the announced expenditure target sufficient to offset the cost of meeting the Government's objectives?". This question is answered ultimately in the sole context of system-wide considerations, that is to say in terms of the extent to which the Government's expenditure target yields a BIU value for the universities. Ryerson and the Ontario Institute for Studies in Education that can be deemed adequate in the light of Government's enunciated objectives. The exercise that Council undertakes in arriving at its answer is strictly limited to these objectives and no allowance whatever is made for other objectives, however worthy, that the university system might pursue whether by choice or force of circumstance.

#### The Delicate Balance Revisited

Why does Council embark on this particular exercise? Following the announcement of the Government's expenditure target, Council reflected at length on the position it occupied. As a body whose membership had been announced a bare six weeks earlier, and whose initial meeting had taken place at the end of October, Council had not advised the Government on either the expenditure target or the objectives that this target might seek to meet. Nor would Council have done so if Government had asked for its advice at the last minute, for Council must have the integrity to admit when it cannot act as an informed advisor. Under the circumstances. Government, in not requesting Council's advice, acted wisely and responsibly

Council's position on the Government's spending target for 1975-76 is therefore grounded in recognizing that its prior advice on the subject was neither feasible nor desirable. That much said, Council has considered whether this circumstance does not impose an obligation to remain silent for the present, reserving any advice or comment on fiscal adequacy to its future role with respect to funding in 1976-77. From the standpoint of government as advisee, late advice is all too readily tantamount to bad advice or idle second-guessing. As a responsible advisor, Council has a desire to avoid such outcomes.

But, in respecting the position of its advisee, Council must also come to grips with a related consideration, the position of the university community covered by its terms of reference. Between the two lies the essence of the Delicate Balance that is the elegantly articulated legacy bequeathed by Council's predecessor agency, the Committee on University Affairs. The Government's spending target announcement coincided with the beginning of a tour that brought Council face to face with the representatives of every institution in the Ontario university community. Council looked and Council listened. What Council saw and heard was a reaction that ranged from resigned despondence to outright anger. Government needs no advisory body to make it aware of this reaction. But whether or not the reaction was justified, Government is not necessarily well served by an advisor who maintains silence while resentment smoulders.

In this setting Council has deemed it wise to distinguish between the government's expenditure target on the one hand, and the objectives that target was intended to meet on the other. Government developed the objectives to be met by its 1975-76 spending target in good faith and for Council to advise formally at this late date on the appropriateness of these objectives for that year might indeed suggest an exercise in idle second-guessing. Council concludes for its immediate purpose that the present objectives should be taken as given, as should the encompassing fiscal guideline "that there will be no increase in students' tuition fees."

This being Council's stance with respect to the Government's objectives, the Delicate Balance impels Council to take a different posture with respect to the 1975-76 expenditure target. This target too can be taken as having been adopted by the Government in good faith. But devising a

spending target to match a set of objectives can be decision-making under uncertainty, especially under prevailing economic circumstances. In this context late advice may not be equated with idle second-guessing, and particularly so if that advice reflects the reduced uncertainty that the passage of time permits. Of relevance also is the question of Government's need to know. Government, having developed enunciated objectives, can gain a measure of assistance from independent advice on whether its target does indeed permit these objectives to be met. There are, of course, serious implications both immediately and in the longer term if Government's objectives are not met by its spending levels. These implications include either preparation for short-run contingencies or a fundamental reappraisal of longer-run plans, neither of which is launched too soon if initiated at once.

These considerations are what lead Council to discern the path of its duty in light of the Delicate Balance. With reference at this late date to the Government's operating support to universities in 1975-76, Council believes that it should take the enunciated objectives as given and proceed to advise simply on the extent to which the announced spending target can be expected to meet them. Moreover, Council's approach to this task has been limited to considerations that are system-wide in nature. More specifically, Council ultimately focusses on the extent to which the support generated by provincial formula grants to the universities, Ryerson and the Ontario Institute for Studies in Education can be deemed to yield a BIU value that is adequate in the light of the Government's objectives. This is in no small part because of the seriousness with which it proceeded to develop its recommendations on non-formula support within the confines of the Government's spending target in Advisory Memorandum 74-II. With respect to such support, this Memorandum observes that "the levels recommended are to some extent conditioned by existing fiscal realities, but Council has made every effort to produce a result it deems fair and equitable, whether under the Government's existing expenditure target or under a moderately greater amount."

## Covernment's Objectives in University Inancing

The three objectives enunciated by the Minister with respect to the Government's expenditure arget are: (1) "to offset inflationary trends"; 2) "to maintain or improve existing levels of ervice"; and (3) "to accommodate predicted enrolment increases." These are the objectives that Council, for the purpose of its present exercise, takes as given. In interpreting these objectives, Council restricts itself to the plain and ordinary meaning of the words, taken in the simple context of long-standing policy with respect to the universities of the province.

#### Offset Inflationary Trends

Current inflationary trends can be discerned by eferring to well known and widely accepted price indices. These trends affect university perations in two principal ways. First, the alaries accorded to academic and support staff nust be based in part on the extent to which the cost of living, normally measured by the Consumer Price Index, affects the purchasing power of the dollar in the hands of the individial. Second, the costs of the non-salary items hat a university must purchase directly as part and parcel of its institutional existence are inlividually affected by economic forces of a national and international character. The impact of such forces yields different price trends or different items depending on whether the commodities are fuel, paper, expendable chemcals, library books or whatever. An aggregative ndex frequently used to measure price trends affecting all such items purchased by firms and nstitutions is the Wholesale Price Index.

Maintain or Improve Existing Levels of Service
In the ordinary meaning of the words, there is a
Substantial difference between "maintain" and
improve". There is virtually no limit on the
extent to which an existing level of service can
be improved. To maintain that level, however,
s a matter of funding the real costs of existing
services. This task has already been simplified
by the objective of offsetting inflationary trends,
he pursuit of which permits real costs to be met
in a setting of rising money costs. In addition,
the objective of maintaining service levels
requires the funding of the extra costs of providing services at their existing level to an

expanded clientele. At this juncture, the maintenance of existing levels of service joins the Government's final objective of accommodating predicted enrolment increases. It is these increases that occasion the additional costs of providing the existing level of service to an expanded clientele.

As to the improvement of existing levels of service, the Government's chosen expression of "maintain or improve" can reasonably be read as follows, namely that the objective takes dead aim on maintaining existing service levels and, if there is any error at the margin, that error should be in the direction of improvement.

The main problem with the objective of maintaining or improving existing levels of service is that its achievement cannot be measured with reference to such clear signposts as price indices. Here of course is where Government, the university community and Council are equally haunted by the absence of so-called "macro-indicators," a situation which Council must strive to change in the coming months and years. To take an elementary example, a student/staff or BIU/FTE faculty ratio for the Ontario university system as a whole could be an index of potentially substantial significance to the aims and objectives of Government and universities alike. To be sure, such an index is as easily read in terms of "productivity" as it is in terms of "quality." But the fact of the matter is that a recognized, consistent and reliable historical time series showing BIU/FTE faculty ratios for the Ontario university system as a whole simply does not exist. In this setting, the opportunity to debate the extent to which such ratios are quality or productivity indices, or for that matter something else, is circumscribed

Be that as it may, Council finds it of some assistance in interpreting the Government's objective of maintaining or improving service levels in 1975-76 to place that objective in the context of a simple reading of long-standing policy with respect to universities. As early as 1966, the then Minister of University Affairs, Hon. William G. Davis, expressed concern in his Gerstein Lecture at York University that student/staff ratios might be too low. In 1971, his successor in that portfolio, Hon. John White, coined the slogan "More Scholar for the Dollar." Council has no indication whatsoever that the

Government ever ceased to question the effectiveness with which universities have deployed their resources. In this light, Council concludes that the Government's objective of maintaining or improving levels of service could not in fairness to Government's own repeated policy pronouncements be based on the maintenance of a fixed BIU/FTE faculty or other student/ staff ratio in 1975-76. Were a fully respected index available, Government would likely be scanning it in search of evidence of more effective use of resources and Council must accord great weight to this probability in interpreting the Government's objectives.

## Accommodate Predicted Enrolment Increases

Again in the plain and ordinary meaning of words, this objective is quite straightforward. It is far more easily interpreted than the oft-repeated phrase "accessibility for all qualified applicants," the operational meaning of which can be as expansionary or restrictive as play on the word "qualified" will permit. In that its immediate objective is to "accommodate predicted enrolment increases," Government can be presumed to have set a spending target sufficient to accomplish exactly what the words convey. Ambiguities arise not from the words but from the reliability of the enrolment prediction, whether made by Government or the universities.

University Revenues Under the Government's Expenditure Target

The Government's expenditure target is explicitly intended to meet the three objectives just discussed. In pursuit of these objectives, the dollars generated by the target will be directed into the university system in the form of revenue. Table I presents Council's best estimate at present of the 1975-76 operating revenues of the fifteen provincially assisted universities (including church-related colleges and the three Laurentian affiliates), Ryerson and the Ontario Institute for Studies in Education. Formula revenue is calculated according to the slip-year method at the BIU value of \$2,108 recommended by Council in Advisory Memorandum 74-II. Non-formula revenue is the sum of the corresponding grants recommended by

Council in the same Memorandum, less the sums recommended for the Ontario College of Art and the Law Society of Upper Canada. The "contingency" item takes account of the revenue that will flow from the allocation that has been set aside for upward revisions in the 1974-75 anticipated enrolment that determines formula support levels under the slip-year method.

The remaining two revenue items are less straightforward and are therefore calculated with respect to the corresponding revenue figures in 1974-75. The amount shown under the 1974-75 column in the Table for "other revenue" is the figure derived from the COFO-UO Preliminary Budget Forecasts for 1974-75, augmented by corresponding figures reported to Council by Ryerson and OISE. "Other revenue" comprises a large number of sub-items such as the line budget grants that form a part of the Government's expenditure target, investment income devoted to operating purposes, municipal grants, and provincial grants for payments in lieu of taxes. Council has arrived at a considered estimate of "other revenue" for 1975-76 by increasing the amount reported for 1974-75 by 10 per cent. This estimate is based on such considerations as increased line budget grants and falling shortterm rates of interest.

The final item, tuition fee revenue, is of course subject to the Government's firm guideline "that there will be no increase in students" tuition fees." The sole uncertainty with respect to 1975-76 tuition fee revenue is therefore identical to the one that besets the quantification of the Government's objective "to accommodate predicted enrolment increases." The enrolment forms submitted by universities to Council last October reveal anticipated enrolment increases for 1975-76 of 1.6%. A document very recently submitted to Council by Ministry officials reveals a forecast increase of 4.3%. Council has chosen an increase of 3% in calculating forecast tuition fee revenue for 1975-76.

The outcome of the exercise in Table I reveals total anticipated university revenues on operating account of \$716.9 million for 1975-76 in contrast to budgeted revenues of \$634.0 million in 1974-75, for an increase of \$82.9 million. By farthe most important factor affecting operating

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A	v	1	v	

iniversity System Revenues Under the iovernment's Expenditure Target—(\$ millions)

	1974-75	Increase in Revenue in 1975-76	1975-76
ormula Grants	465.8	72.5	538.3
lon-Formula irants	9.7	.7	10.4
ontingency	.0	1.1	1.1
ther Revenue	53.5	5.4	58.9
uition & )ther Fees	105.0	3.2	108.2
otal	634.0	82.9	716.9

evenue is, of course, the Government's expenliture target in the context of the guideline that here be no increase in students' tuition fees. 'his same factor is what permits Council to have considerable confidence in the accuracy of its revenue estimating exercise.

## osting the Government's Objectives for 975-76

laving estimated the 1975-76 revenues of the niversity system under the Government's exenditure target, Council now proceeds to the xercise of assessing the cost of the Governnent's enunciated objectives for that year. hese objectives constitute the master assumpon that underlies the exercise. Accordingly, o allowance whatsoever is made for different bjectives that universities might be pursuing ither as a matter of their own choice or beause of the force of circumstances. The uniersities' own objectives might frustrate the chievement of the Government's but this ossibility must be dismissed in the context of n advisory memorandum in which the Governnent's objectives are taken as given.

Council's exercise is presented in Table II thich simply divides university expenditures not three components—salaries, fringe benefits nd non-salary items. The figures under the 974-75 column are the sum of those reported or the fifteen provincially assisted universities y COFO-UO in its *Preliminary Budget Foreasts* for 1974-75, and corresponding data subnitted to Council by Ryerson and the Ontarionstitute for Studies in Education. Council has

#### Table II

The Cost of Meeting the Government's Objectives: Provincially Assisted Universities, Ryerson & OISE —(\$ millions)

—(\$ ininions)								
	1974-75	Infla-	Existing	Total				
		tionary	Service	Estimated				
		Trend	Levels	Cost				
		Costs	and	1975-76				
		1975-76	Predicted					
			Enrolment					
			Costs					
Salaries	453.4	49.9	15.1	518.4				
Fringe								
Benefits	43.3	4.8	1.4	49.5				
Non-								
Salary	138.3	22.1	4.8	165.2				
Total	635.0	76.8	21.3	733.1				

pondered the question of whether these preliminary budget figures provide a reasonable base from which to cost the Government's 1975-76 objectives. Here Council must consider that it is forced by lack of data to take specific account of the 1974-75 expenditures, budgeted or actual, of church-related colleges.

Council has included all of the formula grants earned by these colleges in its estimate of university revenues under the Government's expenditure target because Council is aware that, in the complex transactions that arise between church-related colleges and their universities, the bulk of the expenditures attributable to college students is reported on university rather than college accounts. The fact is, however, that the remaining church-related college expenditures are excluded from the COFO-UO budgeted expenditures that Council proposes to use as a base, and this exclusion reduces the likelihood that the base is too high.

For the rest, Council's confidence in using the 1974-75 budgeted expenditures as a base is further bolstered by a recent canvass of senior university financial officials by telephone which indicates that certain interim salary increases not originally provided for, together with ongoing increases in the prices of certain commodities, will substantially reduce in 1974-75 the historical tendency for actual expenditures to fall below budgeted expenditures. Council concludes that the latter circumstances, bolstered by its forced exclusion of church-related college expenditures, make its 1974-75

budgeted expenditures not only a reasonable but if anything a low base from which to cost the Government's objectives for 1975-76.

Proceeding with that exercise, Council begins by adjusting the 1974-75 figures upward in deference to the Government's objective "to offset inflationary trends." The percentage adjustment applied to 1974-75 salary and fringe benefit expenditures is 11%, this being Council's best estimate of cost of living trends as reflected by the Consumer Price Index, both as reported by Statistics Canada and forecast by competent authorities. Council considers its forecast conservative, not least in light of its assumption that the cost of fringe benefits will rise by no more than the rate of inflation applied to the salary bill.

Council has been made abundantly aware that inflationary trends are producing appreciable experience-related deficiencies in university pension plans. Meeting such deficiencies is surely part and parcel of offsetting inflationary trends, but in the absence of any idea as to the impact of these deficiencies in 1975-76 on university system costs, Council has chosen to omit a calculation. As for non-salary items, Council has carefully scanned recent movements in the Wholesale Price Index, whose rapid climb in the past year is now giving way to a significantly moderated rate of increase.

Based on evidence which includes recent economic forecasts, Council has applied to non-salary items a percentage increase of 16 per cent. The results yielded by applying Council's inflation percentages to 1974-75 salaries, fringe benefits and non-salary items appear in the second column of Table II.

As pointed out earlier in this Memorandum, the Government's objective of offsetting inflationary trends complements its objective of maintaining or improving levels of service. This is because the attainment of the first objective is what permits the real costs of those levels to be met in the framework of rising prices. Given the pursuit of the first objective, the second objective, "to maintain or improve existing levels of service," goes on to embrace the Government's third objective, namely "to accommodate predicted enrolment increases." This is because the maintenance or improvement of levels of service must take account of any expansion in

clientele. Council selected earlier in this Memorandum the figure of 3% as representing the most likely projection for enrolment increases. This percentage becomes a factor in determining the costs of maintaining or improving service levels.

Of course, the service maintenance objective must also encompass any increase in what would be deemed the real costs of maintaining service levels were enrolment static. Two possible examples of such costs come readily to mind. Quite aside from inflation, universities like any employer confront the cost of their salary scales, sometimes called "progress through the ranks" for academic staff and "progression toward the job rate" for non-academic employees. Evidence before Council almost invariably indicates this cost to be in the range of 2.5 to 3% of the salary bill. In the nonsalary area, an allowance on operating account must be made for maintenance and replacement costs that increase with the physical aging of a wide range of items from furniture to laboratory equipment. The percentage range of such costs is probably similar to that of salary scale costs.

The objective of maintaining or improving service levels clearly encompasses the need to meet increased maintenance and replacement costs assigned to university operating accounts. The cost of salary scales is in a different category, however. To the extent that progression toward the job rate is a proxy for better performance, salary scale costs fund improvement in service levels rather than mere maintenance. But progression toward the job rate can also be deemed a proxy for enhanced productivity. It can accordingly be argued that salary scale costs should be met by universities through "productivity gains" rather than being attributed to the costs of meeting the Government's objectives. From here an expanded argument might go so far as to contend that the entire projected enrolment increase could also be accommodated by "productivity gains," making possible the absorption of 3% more students at zero incremental costs with no sacrifice in service levels.

On examining this extreme, Council finds that the "productivity gain" to be expected of universities would have to be sufficient to offset salary scale costs, depreciation and maintenance

n operating account, and enrolment increases. he sum of these items would indicate a 1975-6 gain of 5.5 to 6%. Such an expectation pure fantasy in the context of an economy nat appears to have had zero productivity gains 1 1974, and for which the Economic Council of anada has set the desirable, if far from readily chievable, annual target of 2.4%. Assuming nat the Government's repeated exhortation nat universities deploy their resources more ffectively and efficiently led it to formulate its wn objectives in the expectation that universies should be asked to make "productivity ains" that matched the Economic Council taret in 1975-76, the outcome would leave the ost of salary scales (progress through the ranks nd progression toward the job rate) to be barely overed by enhanced efficiency. In this light council has chosen a level of 3 per cent as epresenting for the purposes of its exercise the ncrease in real cost to universities of maintainng or improving levels of service and accomnodating predicted enrolment increases. Council has therefore applied 3 per cent to each of the 1974-75 expenditure items, and augnented the result by the percentages it deemed ufficient to offset inflationary trends. The outome for the real and money costs associated vith maintaining or improving service levels nd meeting predicted enrolment increases ppears in the third column of Table II. The final olumn in this table simply presents Council's stimate of the total cost of meeting the Sovernment's three enunciated objectives for 975-76.

#### he Cost-Target Gap

Council now compares in Table III the university evenues that will be generated in 1975-76 inder the Government's expenditure target vith the cost of meeting the Government's hree enunciated objectives. The result is a costarget gap of \$16.2 million. In other words. Council's best estimate of the cost of meeting he Government's objectives exceeds the suport yielded by the Government's spending arget by this amount. What Council chooses to call its "best estimate" emerges from a series of udgements which if anything err in attributing oo low a cost to Government's objectives. Council's estimates of inflationary trends are ikely couched in optimistic terms. Even more mportant is Council's assumption about the

Table III	
The Cost-Target Gap, 1975-76—(\$ millions)	
Cost of Meeting Government's Objectives	733.1
Revenues under Government's Target Expenditure	716.9
Cost-Target Gap	16.2

capacity of universities to contribute to the achievement of Government's objectives through immediate efficiency measures. By incorporating into its exercise the 2.4% productivity gain target of the Economic Council of Canada, Council has surely attributed enormous weight to Government's expectations, whether realistic or otherwise, that the university system can deploy its resources more effectively.

Council closes by re-emphasizing that it has costed the Government's objectives in an exercise in which these have been taken strictly as given. Consequently Council has made no allowance whatsoever for any other objectives. Thus, for example, Council has not taken into account an objective like fair and equitable salaries for university personnel in relation to comparable employees in the public sector. Government did not list this among its chosen aims. Universities, of course, may choose or be compelled by force of circumstances to pursue this objective. The consequences of meeting it may possibly include deficits or a frustration of Government's service level objective or both.

The Delicate Balance impels Council to maintain silence on these or other possibilities at the present time. Assessments of the health of the university system and of the appropriateness of Government objectives for that system constitute Council's most important future tasks. For the moment Council simply observes that the cost of meeting existing Government objectives exceeds the spending target devised for their achievement by \$16.2 million. Therefore, having calculated the BIU value necessary to infuse an

Capital Assistance: Administrative Processes, Objectives and Needs

additional \$16.2 million into the university system, including the three Laurentian affiliates, church-related colleges, Ryerson and the Ontario Institute for Studies in Education, Council recommends to the Minister and the Lieutenant Governor in Council

#### OCUA 74-13

BIU Value to Enable Government to Meet the Cost of Its Enunciated Objectives with Respect to University Support in 1975-76
That the BIU value for 1975-76 be not less than \$2,160, representing a 10.5% increase over the BIU value for 1974-75, and thereby enabling the Government to meet the cost of its enunciated objectives with respect to university support in 1975-76.

#### A State of Near Moratorium

In formulating its independent views on capital assistance for the university system, Council's point of departure differs from that in the realm of operating grants. Government has made no spending target announcement for 1975-76, nor has it enunciated specific objectives. As for the position of the university community with respect to capital, it is on balance stamped more by puzzled concern than urgent pleading. Not only does a state of near moratorium obtain with respect to capital grants; it seemingly characterizes the very condition of governmentuniversity relations in the capital area at present. Indeed, the existing moratorium on capital grants apparently influences government-university relations in the very sense in which the word "moratorium" connotes a legally sanctioned period of waiting. What are Government and the university community waiting for?

Council's autumn hearings offered abundant testimony to the effect that the expectations of the university community are varied and diffuse. Council was impressed by the very considerable expertise that members of this community displayed in matters of capital financing. Their expertise brought forward thoughtful suggestions on items ranging from revised weights for the capital formula through new approaches in the formulation of agequality discounts to major revisions in the cyclic renewal formula. If these can be taken as representing expectations of a return to full formula financing in the capital realm, yet other opinions suggested the advisability of a continued ad hoc approach. If universities are waiting for a return to formula financing that is not in the offing, it is hardly the most economical use of their talents if these are laboriously applied to detailed suggestions for formula revision.

Whatever the exact breadth of expectations with respect to formula instruments, expectations of funding levels are likewise variegated. Council accumulated a list of capital projects, a preliminary survey of which indicates costs in excess of \$120 million. The projects run the gamut from reimbursement for completed buildings through contemplated major renovations to new buildings that will add significantly to the enrolment capacity of the university

rstem. This list seemingly indicates that the niversity community awaits anything from a simplete lifting of the present near moratoum to a policy on reimbursement for inequities enerated at the time the moratorium was aposed.

If university expectations offer a scene of onsiderable confusion, the workings of governent show no sign of having been re-examined the light of what might be its specific obctives, present or future. To pick what Council onsiders a telling example, the processes hereby official approval is accorded to capital ojects show little change from the heady preoratorium days. It may be that these proesses, now considered by many universities be unduly cumbersome, are retained through neer inertia, for they appear better suited to proving large projects involving major outys than to attaching priorities to a stream of naller projects that must compete for funding om moderate appropriations.

Council recognizes that it must eventually rmulate advice that will assist both Governent and the university community in sorting ut capital priorities for the balance of the eventies and the decade beyond. It would be rossly premature for this new body to suggest ich priorities in an advisory memorandum on overnment support for 1975-76. Council beeves, however, that some groundwork can ow be initiated that would be of assistance in arifying the state of government-university lations in the capital realm. This groundwork ncompasses three areas: the administrative rocesses of Government, the immediate bjectives that capital assistance might seek to eet, and the most pressing needs of the niversity system in 1975-76.

#### dministrative Processes

'hatever uncertainties now beset the realm of apital assistance, it is crystal clear that the era f major expansion and high priority has ended. he future that virtually coincides with the alance of the present century holds out the rospect of a university system in relatively eady state with a substantial need for ongoing aintenance and major renovation in a setting here the level of priority accorded by Government to capital financing is reduced.

The consequences for the administration of capital assistance to the university system are none too soon explored. Two questions in particular warrant detailed attention. First, to what extent are existing administrative processes appropriate in an age of maintenance and renovation? Second, to what extent should administrative processes be adapted to the realities of a lower priority?

The first question takes dead aim on the allegedly cumbersome procedures about which several universities advanced complaints during Council's autumn hearings. To the extent, for example, that seven items of capital need totalling \$379,000 in one university were required to proceed through the standard three-stage application and approval procedure, the allegation of red tape appears to Council to have at least sufficient substance on the surface to warrant internal stock-taking, particularly when small projects may be better suited to thoughtful selectivity when first proposed than to a sequential approval procedure conducted in several stages.

Council's second question has longer run ramifications. In a setting where the priority accorded to capital assistance is lower, university construction projects are very likely to be viewed in part as instruments of policies other than educational policy. In particular, the funding of these projects may become to some degree a function of economic stabilization policy as formulated either by the Government of Ontario or the processes of federal-provincial relations. At this juncture a premium will attach to the extent to which the Ministry of Colleges and Universities has a "shelf" of projects that can be speedily initiated to provide needed employment. To the extent that these projects are in line with Government's objectives for the university system, their undertaking will then serve both educational and economic aims. But the stocking of an effective "shelf" itself calls for a close examination of administrative and for that matter funding practices. Such practices should ensure that certain projects have already been approved and funded by Government through the point of full-fledged working drawings so that they can proceed to tender with little or no advance notice.

Council believes that the questions it poses with respect to administrative processes in the area of capital financing warrant early attention and Council accordingly recommends to the Minister

#### OCUA 74-14

Study of Administrative Processes in the University Capital Support Program That the Ministry of Colleges and Universities examine its administrative processes in the area of capital support with particular regard to the advisability of simplified procedures for project approval and of practices that can assist in the development of a shelf of capital projects to be available when needed as an instrument of economic stabilization policy.

Formulating Objectives in Capital Assistance

The confused and varied expectations of the university community testify abundantly to an immediate need for enunciated Government objectives in capital assistance. As in the realm of operating support, any objectives should be developed in the context of Government's longstanding view that universities can and should deploy their resources more productively. Council takes this as meaning that a more intensive utilization of existing space in the Ontario university system remains a major concern. It follows that the immediate task of formulating objectives need not anticipate a lifting of the moratorium with respect to building projects that would add significantly to the system's enrolment capacity. Instead, the objectives to be formulated should be tailored primarily to a situation where the proper functioning of existing facilities is at a premium. Here Council suggests that two objectives in particular warrant serious study at this time.

The first might be borrowed directly from the Government's three enunciated objectives in operating support. This is "to maintain or improve existing levels of service." The second would simply aim at reducing the outlays of Government and universities in the operating realm. It might be phrased as follows: "to promote economies in operating costs." This objective would have the clear effect of attaching priority to the many cyclic renewal projects that can reduce operating costs through appropriate renovations and alterations.

The first objective, "to maintain or improve existing levels of service," requires detailed study before being enunciated in the capital realm. Thus, for example, in that "to maintain or improve" allows a margin for improvement, this objective could encompass new building projects which, while not enhancing the university system's enrolment capacity, might raise the level of services, including community services, generated by a given university's capital facilities to some minimum system-wide standard. The provision of athletic facilities might be a case in point. Naturally, study of what a minimum system-wide standard might comprise is necessary before the objective can be enunciated.

More generally, it is absolutely essential to study the cost implications of the entire objective of maintaining or improving existing levels of service. It is pointless and misleading for Government to enunciate a specific objective whose financial consequences are not met. Consequently, Council is content at this late date to assign the desirability of enunciating specific capital support objectives to the year 1976-77, thereby providing the time necessary for the serious consideration involved. In this context, Council recommends to the Minister

#### OCUA 74-15

Study of Specific Government Objectives in Providing Capital Assistance to the University System

That the Ministry of Colleges and Universities study the implications of the following as objectives that might be enunciated and met by Government through its capital assistance to the university system in 1976-77: "to maintain or improve existing levels of service and to promote economies in operating costs".

#### **Pressing University Needs**

Council recognizes fully that the formulation of specific objectives in the realm of capital assistance must receive careful study. Meanwhile, however, Council cannot ignore a situation where real and serious exigencies prevail with respect to 1975-76. While the diffused expectations of the university community prevented the Council of Ontario Universities in its autumn brief from attaching specific priority to cyclic renewal over new buildings, Council in

e course of its hearings with individual institions developed an overwhelming sense of gency in this domain.

Pressing needs for alterations and renovaons abound. One measure of these needs is at, in 1974-75, the Ministry of Colleges and niversities was forced through lack of funds reject cyclic renewal requests amounting to 3.2 million out of total requests in this cateory of approximately \$13.5 million. As nother measure, careful study by the COU ommittee on Capital Financing indicated last ar that the parameter applied in determining e annual cyclic renewal allocation with spect to renovations and alterations for the niversity system as a whole should be raised om the 1% apparently applied at present a range having a minimum of 1.5 and a aximum of 3.1%.

The existence of pressing university needs ith respect to cyclic renewal cannot be denied. a setting where specific Government objeces in the realm of capital assistance are nder study, it is possible to countenance a easure of increased support that is consistent ith these objectives but prejudges neither the tvisability of their official enunciation nor le level of costs involved in meeting them. earing in mind the evident shortfall of availble cyclic renewal funds in 1974-75, together ith the bottom figure in the range of paramers produced by the COU Committee on apital Financing. Council recommends to the inister and the Lieutenant Governor in ouncil

CUA 74-16
evel of Support for Cyclic Renewal in 1975-76
hat funds for new cyclic renewal projects in
975-76 be increased by 50% of the level proded for such projects in 1974-75.

S. Dupré hairman

ebruary 8, 1975

## Committee of Advisors Recommendations 1974

During the interval between the dissolution of the Committee on University Affairs on April 30, 1974, and the appointment of the Ontario Council on University Affairs, a special committee of advisors to the Minister of Colleges and Universities was charged with the task of making recommendations to the Minister on matters arising from the CUA's mandate. This group was composed of the following former members of CUA: Dr. Joan Foley, Dr. Reva Gerstein and Mr. H. Harold Walker.

Recommendation	Response
Removal of Embargoes on:	
Sociology	Accepted
Fine Arts (Dance, Film, Theatre and Drama and Studio Art)	Modified Acceptance
Recreation and Recreology	Accepted
Anthropology	Accepted

Funding of the Following Program	s:
University of Toronto Certificate Program in Theatre Technology	Not Accepted
University of Western Ontario M.A. in Teaching	Accepted
University of Western Ontario M. Ed.in Guidance Counselling	Accepted
Lakehead University M. Ed. Program	Accepted
Carleton University Master of Journalism	Accepted
Carleton University M.A. in Anthropology	Accepted
York University Master of Fine Arts Program	Accepted

## OCUA Recommendations 974-75

commendation mber	Title	Response
	(Advisory Memorandum 74-I)	
-1	Five-Year Plan for Graduate Development at Laurentian	Accepted
2	New Graduate Programs in Anthropology and Geography at York	Accepted
3	ACAP Report on Political Science	Accepted
	(Advisory Memorandum 74-II)	
4	Formula Approach for 1975-76	Accepted
5	Grant to the Law Society of Upper Canada,1975-76	Accepted
6	Grant to the Ontario College of Art, 1975-76	Accepted
7	Bilingualism Grants, 1975-76	Accepted
8	Supplementary Grants to Carleton, Windsor and York, 1975-76	Accepted
9	Supplementary Grants to Brock, Lakehead, Laurentian and Trent, 1975-76	Accepted
10	BIU Value Under the Government's Expenditure Target for 1975-76	Accepted
	(Advisory Memorandum 74-III)	
11	Northern Ontario Grants to Lakehead and Laurentian Universities, 1975-76	Accepted
12	Northern Ontario Grants to Algoma, Hearst and Nipissing	Accepted
	(Advisory Memorandum 74-IV)	
13	BIU Value to Enable Government to Meet the Cost of its Enunciated Objectives with Respect to University Support in 1975-76	Not Accepted
14	Study of Administration Processes in the University Capital Support Program	
15	Study of Specific Government Objectives in Providing Capital Assistance to the University System	Accepted
16	Level of Support for Cyclic Renewal in 1975-76	Accepted

## OCUA Public Meetings 1974

Date	Institution and Place of Meeting		
26/10/74	Council of Ontario Universities, Robarts Library, Toronto		
26/10/74	Ontario Confederation of University Faculty Associations, Robarts Library, Toronto		
15/11/74	University of Western Ontario, University of Western Ontario Campus, London		
16/11/74	University of Waterloo, University of Western Ontario Campus, London		
16/11/74	University of Windsor, University of Western Ontario Campus, London		
22/11/74	McMaster University, McMaster University Campus, Hamilton		
23/11/74	Brock University, McMaster University Campus, Hamilton		
23/11/74	Wilfrid Laurier University, McMaster University Campus, Hamilton		
29/11/74	Lakehead University, Lakehead University Campus, Thunder Bay		
30/11/74	Ryerson Polytechnical Institute, Ryerson Polytechnical Institute Campus, Toronto		
6/12/74	Carleton University, Carleton University Campus, Ottawa		
7/12/74	University of Ottawa, Carleton University Campus, Ottawa		
7/12/74	Queen's University, Carleton University Campus, Ottawa		
13/12/74	Laurentian University and affiliated colleges, Laurentian University Campus, Sudbury		
14/12/74	Ontario College of Art, Queen's Park, Toronto		
14/12/74	Trent University, Queen's Park, Toronto		
20/12/74	York University, Queen's Park, Toronto		
20/12/74	Law Society of Upper Canada, Queen's Park, Toronto		
20/12/74	University of Toronto, Queen's Park, Toronto		
20/12/74	Ontario Institute for Studies in Education, Queen's Park, Toronto		
21/12/74	University of Guelph, Queen's Park, Toronto		

## Text of Letter to University Presidents Concerning 1975 Briefs to OCUA

February 17, 1975

Dear

This spring, Council embarks on what will henceforth be its regular annual cycle. This cycle, designed to ensure that Council will be fully in step with Government's decision-making processes, calls on Council to conduct its open meetings with the university community during the months of April, May and June.

I am writing at this time to inform you of the matters in which Council has a particular interest and to ask that you take these matters into account either in your written brief, or in your preparation for oral testimony, or both. I regret that I cannot yet request a firm date for your hearing, but I shall definitely do so within two weeks.

The matters of particular interest to Council this spring can be divided under two major headings—Policy and Planning Issues, and The Financial Outlook for 1976-77.

Policy and Planning Issues.

The matters under this heading are of both immediate and longer-run concern, and include the following:

Formula Revision. Of particular import is the extent to which your university attaches a high priority to an operating grants formula revision in 1976-77. Whatever your institutional priority, Council solicits your views on ways in which the present formula might be revised so as to become less sensitive to changes in enrolment levels. Council is interested in the extent to which reduced enrolment sensitivity would benefit or penalize your university, or cause it to shift its existing aims and objectives. Also of concern to Council is the extent to which your institution attaches priority to weight changes, either at the professional and graduate level, or to take account of undergraduate curriculum changes that have made the distinction between General and Honours students more difficult to sustain than was the case when the existing formula was adopted.

Tuition Fees. Both the \$100 tuition fee increase of 1972-73 and the Government's 1975-76 guideline "that there will be no increase in students' tuition fees" suggest that the existing prerogative of governing boards to determine the

level of tuition fees may be becoming more myth than reality. To the extent that your institution attaches importance to a continuation of board prerogatives with respect to fees, Council is interested in the reasons for the view and the extent to which independent action with respect to tuition fee levels is material to your university's aims and objectives.

- c) Accessibility. The oft-repeated phrase "accessibility for all qualified applicants" can have a meaning that is as restrictive or expansionary as play on the word "qualified" permits. Council is becoming increasingly aware of a viewpoint both inside and outside Government that would attach a considerably more restrictive meaning to this phrase than has been the case in recent years. Council solicits your university's views on accessibility, with particular regard to admission standards, the desirability of system-wide tests for either admission or course placement, and the need, whatever the level of student enrolment, to promote accessibility to all programs for students from the less advantaged sectors of society. Council also has a particular interest in the extent to which professional school admission practices can be made increasingly fair and equitable, and solicits information on recent progress together with views on possible improvements, including such experiments as the medical schools branch of the Applications Centre.
- d) Student Support. While the Minister's Interim Committee on Financial Assistance to Students has a particular advisory responsibility with respect to OSAP, there are a number of important matters that fall primarily within Council's terms of reference. Thus, for example, Council has a strong interest in the views of your university on the administration and funding levels of the new Ontario Graduate Scholarship Program, on the financial implications for your institution of meeting the current ceiling of \$3,000 for the remuneration of teaching assistants, and on the resources which your university is currently able to devote to its own scholarship and student support programs.

- e) Graduate Studies. Council wishes to engage in a thorough discussion of the accomplishments and implications of ACAP, the relations between ACAP and discipline groups, the extent to which ACAP planning is primarily quantitative or qualitative, how your university has responded to specific COU recommendations respecting ACAP assessments thus far, the nature and suc
  - to specific COU recommendations respecting ACAP assessments thus far, the nature and success of present or envisaged monitoring processes, and the potential of rationalization methods that will ensure the viability in Ontario of high quality graduate programs and establishments under conditions of fiscal stringency.
- f) System-wide Coordination and Services. Council is interested in your university's views of the utility of the Ontario Universities Applications Centre, computer coordination and library coordination.
- g) Macro-indicators. Council has an urgent interest in so-called "macro-indicators"—what they might be, whether COU should play the lead role in their collection, whether their collection requires the creation of a data bank, and how their collection might be managed and funded.

h) Status of Women. Council wishes to follow up on

- the information submitted by your university with respect to the status of women in your autumn, 1973 presentations to the Committee on University Affairs. In particular, Council has an interest in any development of admissions, recruitment, promotion and salary policies that affect women as students, support staff or faculty. Council also has an interest in any longitudinal data that might document the changing position of women in your university over the last several years.
- The Financial Outlook for 1976-77. Under this major heading, the following are deemed especially pertinent.
- a) your most up-to-date 1975-76 estimates of revenue and expenditures;

b) the extent to which you have been able to mee the objectives which Gove ment enunciated a those to be met by its 1975-76 level of support, i.e., "to offset inflationary trends, to maintain o improve existing levels of service and to accom-

modate predicted enrolment increases";

- c) your success or lack thereof in meeting other objectives not included by the Government in it 1975-76 aims, e.g., fair and equitable salaries f university personnel in relation to comparable employees in the public sector, and the extent to which the pursuit of this goal has frustrated some of the Government's objectives;
- d) the impact of your 1975-76 budget on service levels, faculty appointments, turnover and dismissals, and support staff appointments, turnover and dismissals;

 e) your contingency plans, if any, for the possibility of continued fiscal stringency in 1976-77 and

beyond, and your capacity to maintain levels o

service through more effective use of available resources;

f) your view of what might constitute appropriate Government objectives in funding universities in 1976-77 and your estimated cost.

priate Government objectives in funding universities in 1976-77 and your estimated cost of meeting the objectives.

In addition to the above. Council retains a comment of the control of the council retains a control of the co

tinuing interest in your enrolment projections.

You need not submit projections, however, as

Council will have received access to your mos

recent UAR forms and will undertake to prepare

appropriate tables in time for your hearing.

Please do not hesitate to contact me if I can
be of assistance in the months ahead. I look
forward with great interest to our forthcoming
meeting.

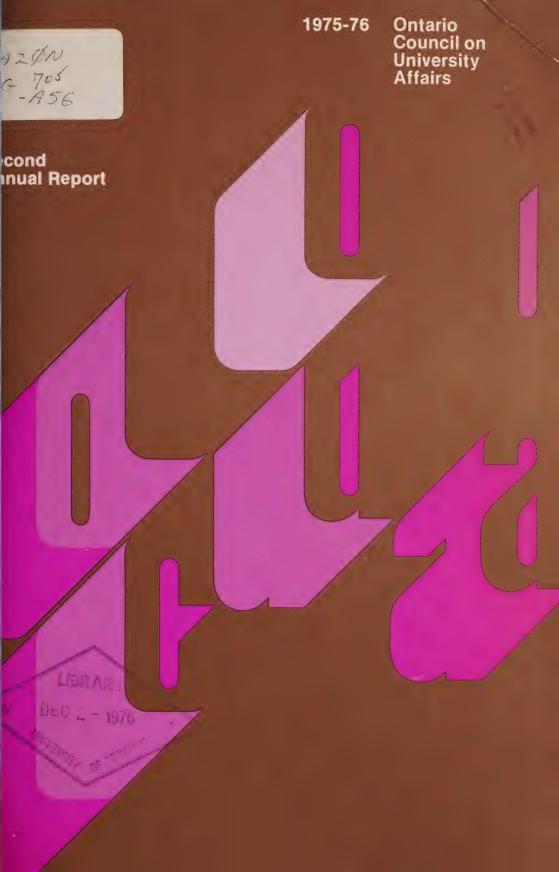
Kindest personal regards.

Yours sincerely,

J. Stefan Dupré Chairman









econd Innual Report 975-76

## Ontario Council on University Affairs

801 Bay Street Second Floor Toronto, Ontario M5S 1Y7

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Ontario Council on University Affairs 416/965-5233 2nd Floor 801 Bay Street Toronto, Ontario M5S 1Y7

May 31, 1976

The Honourable Harry Parrott D.D.S. Minister of Colleges and Universities 6th Floor, Mowat Block Queen's Park Toronto, Ontario

Dear Mr. Minister:

I respectfully submit herewith the second annual report of the Ontario Council on University Affairs. This report covers the period from March 1, 1975, through February 29th, 1976.

It is with great sadness that I record the death, a very few weeks after the end of the period covered by this Report, of my Council colleague John J. Deutsch. His wisdom inspired the proceedings of Council during the first two years of its existence. His memory is a cherished legacy that will inspire Council's future deliberations.

I have the honour to be, Sir,

Yours very truly,

J. Stefan Dufer

J. Stefan Dupré Chairman

## Members and Officers of the Ontario Council on University Affairs 1975-76

Rt. Rev. Walter E. Bagnall (1976)

Hamilton

Mary Butler Bush (1976)

Ottawa

John J. Deutsch (1978)

Kingston

Antoine D'Iorio (1977)

Ottawa

J. Stefan Dupré (1977) Chairman

Toronto

James D. Fisher (1977)

Toronto

Paul D. Fleck until September, 1975

London

Reva Gerstein (1976)

Toronto

Tamara Giesbrecht until December, 1975

Waterloo

Lin Good (1977)

Kingston

William A. Goyan (1977)

Thunder Bay

Daniel G. Hill (1976)

Toronto

T. Rosaire Léger (1978)

Cornwall

Alexander L. McCallion (1977)

Hamilton

J. Fraser Mustard (1978)

Hamilton

Margaret F. Orange (1978)

Sudbury

R. Peter Riggin (1978)

Toronto

Ronald S. Ritchie (1976)

Ottawa

H. Harold Walker (1976)

Toronto

John R. Yarnell (1977)

Toronto

J. Peter Venton

**Executive Secretary and Research Director** 

Nancy E. Simmons Associate Secretary

Ronald McDougall Senior Research Officer

Richard Zulik

Research Officer

Members' terms expire on February 28th of the year indicated in parentheses

### ntroduction

ne Second Annual Report of the Ontario ouncil on University Affairs covers the peod that began March 1, 1975 and terminated bruary 29, 1976. This period followed an inigural "year" limited to the initial five onths of Council's existence, and accordgly encompasses the first full-year cycle of ouncil activities. A regular March-February cle was selected at the time of Council's eation as best suited to an annual flow of Ivice that would be closely in step with the ecision-making processes of Government. The present Report, like its predecessor, rves the primary purpose of assembling and iblishing the advisory memoranda sejentially produced by Council in the year st concluded. By incorporating its formal lvice into textual memoranda, Council has losen from the beginning to disclose the onsiderations it weighs in formulating its adce. As observed in the First Annual Report, hether to expose Council's fallibility or monstrate its sagacity, such disclosure is irely in the public interest." Council's 1975i memoranda may well generate as many dgements of its relative fallibility or sagacity there are readers of this Report. As the inependent advisory body to the Government Ontario on university matters, Council acepts full responsibility for its own reasoning. Given Council's perception of its role, its Ivisory memoranda necessarily represent e bulk of its annual output as an ongoing Ivisor to Government. From time to time, bwever, Council may deem it appropriate to ake observations or pose questions that are etached from its immediate task of making oncrete recommendations to Government. uch observations or questions can be widely isseminated if published in the introductory art of an annual report.

In the present Introduction, Council has nosen to develop three sets of observations and questions. The first, which involves pontially far-reaching consequences for the ture of the university system relates to the nanging demographic profile of the Ontario opulation during the balance of this century, he second bears upon the principles that upital assistance policy for universities ight seek to reflect. The final set of obsertions and questions is offered as an initial ouncil contribution to an already ongoing

debate with both short and long-run implications for the university system—the debate over taxpayer (Government) and user (student) contributions to the operating income of the university system.

#### A Changing Demographic Profile

Simply put, the future of the Ontario university system is not what it used to be. It is not the future that prevailed when the university system was poised on the threshold of major expansion in the late nineteen fifties. The university system at that time faced a coming population bulge of major proportion in the age group of 18 to 24 years that has constituted the traditional clientele for post-secondary education. Today the university system faces an immediate future comprised of the tail-end of this bulge, to be followed by a substantial decline in the number of 18 to 24 yearolds that will almost inevitably be sustained until the closing years of this century. The stark outline of the changing demographic profile of the future is sketched in Chart 1.

The size of the 18 to 24 age group is hardly the sole determinant of the future of the university system. Of at least equal importance are the likely participation rates of this age group (14.3 per cent in 1974-75 for Ontario universities), and the level of demand for university services that will be generated during the balance of this century by the older age groups, whose demographic profile will itself bulge as the postwar "baby boom" ages. Speculation on either of these phenomena can yield any of a number of alternative scenarios.

With respect to the 18 to 24 age group that has traditionally accounted for some four-fifths of full-time university students, it is of course possible to posit increases in participation rates that would mitigate the decline in absolute population numbers. This involves speculation about such possibilities as more open accessibility policies, enhanced social preferences for additional higher education as a path toward equality of opportunity, and greater demand for highly qualified manpower. On the other hand, it is as easy to posit decreases in participation rates if speculation shifts to such possibilities as more restrictive accessibility policies, swings

in social preferences away from higher education because it may not enhance equality of opportunity, lessened reliance by employers on degrees as a screening device, and a level of market demand for highly qualified manpower that reduces the private returns from education.

As for the future level of demand for university education from older age groups it is also possible to be bullish or bearish to the extent that speculation focuses on the greater or lesser attractiveness of higher learning as a leisure time pursuit, the degree to which career paths in different occupations will place a greater or lesser premium on refresher or continuing education, the attitudes of employers toward in-house as opposed to university-provided training and upgrading programmes, and so on.

Changing participation rates within the 18 to 24 year age group or among older age groups will inevitably have an influence on the future of the university system that is at least as fundamental as a crude demographic profile of the number of individuals in the traditional clientele group. Planning for the future of the university system must be sufficiently flexible to accommodate upward or downward trends in participation rates that only the passage of time can translate from the realm of speculation through the realm of likelihood to that of reality. But the demographic profile does not thereby lose validity as a starting point for future planning. This is because it is based on the reality of births whose occurrence (or non-occurrence) already shape the likely size of the traditional university clientele group into the nineteen nineties. At least with respect to this important indicator, there can be virtually no doubt that the future of the university system is not what it used to be.

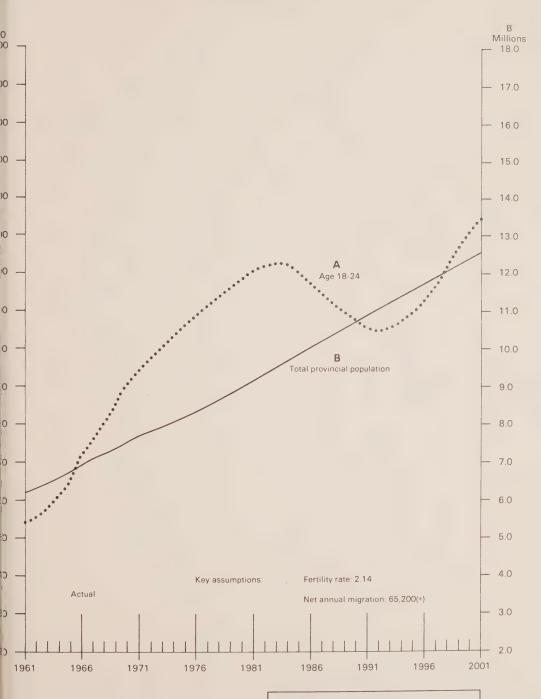
The Ontario universities are geographically dispersed. Their futures may accordingly be influenced by the location of their traditional clientele groups. On this question, Grade 13 enrolment projections from the Ontario Institute for Studies in Education yield pertinent estimates of the likely spatial distribution of potential university students into the midnineteen eighties. Charts 2 through 4 illustrate the trends.

Charts 2 and 3 portray Grade 13 enrolmen trends in Northern, Southern and all of Ontario until 1986. Chart 2 traces absolute num bers of students; the more dramatic Chart 3 depicts the percentage changes in Grade 13 enrolment from the level obtaining in September, 1975. These charts mirror the demographic profile sketched in Chart 1. From the standpoint of the university system, they confirm that the immediate future holds out the prospect of further increases in traditional student enrolment, followed by a sharp decline. The simple segregation of northern from southern Ontario brings home the utility of examining enrolment trends by area. It ap pears that the North, unlike the South, is virtu ally at the peak of Grade 13 enrolment at present and that the subsequent decline in this enrolment category in the North will be considerably more precipitous.

Chart 4 pursues the spatial disaggregation of Grade 13 enrolment trends by distinguishing among major urban areas, exurban areas, other urban areas, other southern areas and Northern Ontario. The notes to this chart list the counties, districts or regions whose grade 13 enrolment projections were assigned to each of the above categories. The arresting deviation from the all-Ontario trend is found in the Golden Horseshoe counties c Peel, Halton, Ontario and Wellington on the fringes of the established metropolitan areas of Toronto and Hamilton. These exurban counties stand out not only by virtue of their projected growth rate but because they are alone in holding out the prospect of Grade 13 enrolments that will remain substantially higher than 1975 levels.

Ontario's changing demographic profile gives cause for sober reflection on the future of the university system. In the absence of considerably increased participation rates, enrolment drawn from the traditional university clientele group is likely to fall below 1978 levels within a decade. Now is the time to begin to anticipate the possible consequences for the stability and future functions of the university system. In the meantime, of course, there is the prospect of continued enrolment growth fueled by the tail end of the 18 to 24 year population bulge. Car broad accessibility to the university system be denied to this group without begging the



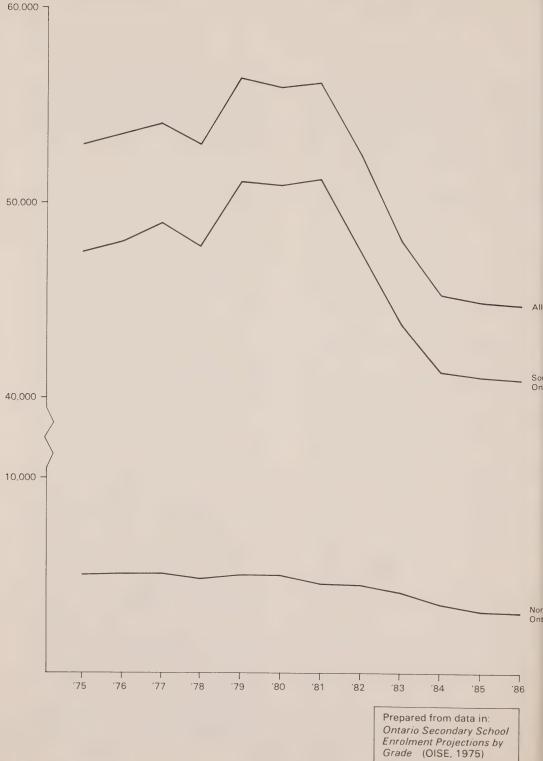


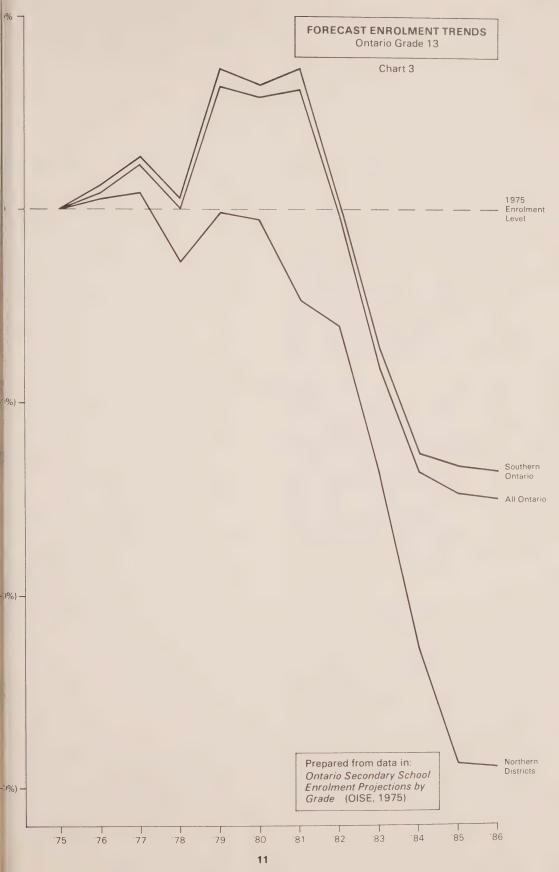
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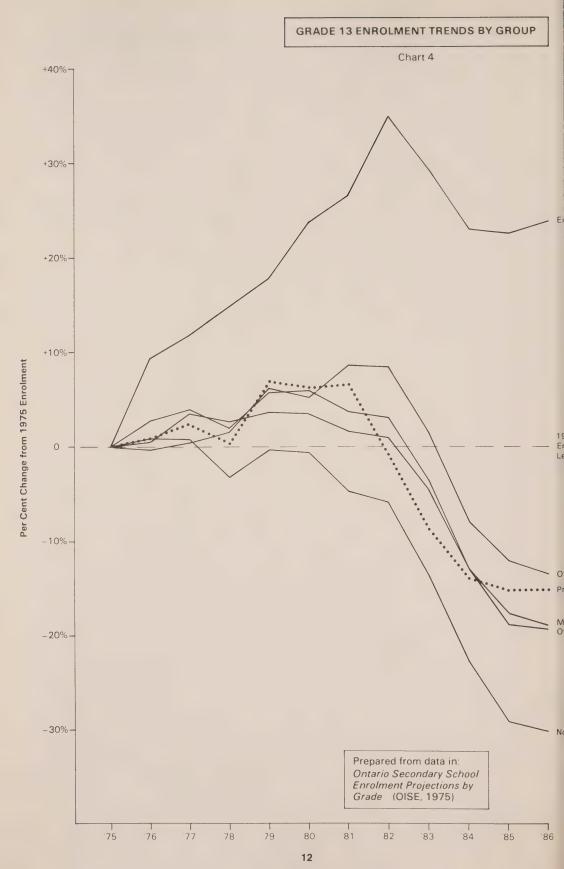
Population and Enrolment Trends, 1961-2001, The Canadian Case

(Zoltan Zsigmond, Statistics Canada)

# **FORECAST ENROLMENT TRENDS** Ontario Grade 13 Chart 2







#### Major Urban

Carleton

Essex

Middlesex

Niagara

Waterloo

Wentworth

York

#### Exurban

Halton

Ontario

Peel

Wellington

#### Other Urban

Brant

Frontenac

Hastings

Kent

Lambton

Leeds & Grenville

Oxford

Peterborough

Renfrew

Simcoe

Stormont, Dundas and Glengarry

#### Northern

Algoma

Cochrane Kenora

Manitoulin

Nipissing

Parry Sound

Rainy River

Sudbury

Thunder Bay

Timiskaming

#### Other

Bruce

Dufferin

Elgin

Grev

Haldimand

Haliburton

Huron

Lanark

Lennox & Addington

Muskoka

Norfolk

Northumberland & Durham

Prescott & Russell

Prince Edward

Victoria

question of inter-generational equity? How can accessibility be sustained in the short run when enrolment projections for later years caution against the acquisition of additional long-run commitments to personnel and plant resources? What are the potential trade-offs between short-run accessibility on the one hand, and items like faculty-student ratios and space standards on the other? To what extent can the severity of potential trade-offs be mitigated by deliberate attempts to ensure that the capacity of the university system is fully utilized in each and every institution? Given the likely spatial distribution of candidates for university admission, what measures might be contemplated to make it easier for students to attend university away from home?

Ontario's changing demographic profile suggests that questions such as these deserve a place of primacy in the dialogue between Government and the university system. It of course bears repetititon that the future of the university system will be conditioned by changes in participation rates and not simply by demography. Indeed, this future will also be shaped by the manner in which universities exercise their own responsibilities in devising new patterns of higher education. The current importance of demography is that it is by far the most predictable parameter, and hence the logical starting point in the process of planning for the next two decades.

**Capital Assistance Policy** 

The need for a fundamental reassessment of capital policy was identified by Council in Advisory Memorandum 75-VI. In its search for principles, Council distinguishes three areas for the purpose of initial discussion: (1) the expansion of the existing plant, (2) the renovation, replacement, and alteration of this plant, and (3) the replacement of furniture and equipment.

The Expansion of Existing Plant. Ontario's changing demographic profile indicates that Government and the university community await a future that is not what it used to be. Has the interim capital formula lost is raison d'être when system-wide enrolment may fall

below the 1975 level by the mid 1980's? Between now and the mid-eighties, there may be significant growth in system-wide enrolment. To what extent can it be accommodated within present capacity through special temporary measures? Given the inherent limits of such measures, should Government alter its present policy so as to provide special funding for the rental of facilities or the acquisition of temporary structures? On what criteria might such funding be extended?

Can space be sought elsewhere in the educational system? The more efficient utilization of university plant cannot be divorced from the possible availability of space in colleges of applied arts and technology. Also, it is desirable to bear in mind that lessened pressure on secondary school facilities may coincide with the peak of the enrolment bulge in the university sector. Is it not necessary to identify and coordinate all available space in universities, colleges of applied arts and technology and secondary schools?

Replacement, Renovation and Alteration of Plant. With the exception of health science facilities the Government generally has not funded the replacement of older buildings since the introduction of the capital moratorium in 1972. To what extent is replacement a priority vis-à-vis the renovation and alteration of plant currently funded through cyclic renewal? Should a capital aid policy permit replacement, renovation and alteration projects to compete equally at any given level of global Government funding? If this is desirable and funds remain limited, should the current policy of providing 100 percent funding for a restricted number of approved renovation and alteration projects be re-examined? Would a policy of partial Government funding for replacement, renovation and alteration projects permit a more rational determination of priorities given limited availability of public funds? Is private support likely to be attracted by a return to partial Government funding of capital needs? Is such support more easily attracted to new buildings that replace old facilities than to renovation and alteration projects?

To what extent should Government capital assistance for renovation and alteration be supplemented by university operating revenues? If a purpose of renovation is to promote

economies in operating costs are operating revenues not a reasonable source from which to supplement capital assistance? Currently, minor renovations and alterations (i.e. projects costing less than \$25,000) receive no capital assistance from Government whereas major renovations and alterations (i.e. projects above this amount) receive 100 percent capital support if approved by Government. Does this abrupt distinction have undesirable steering effects? If so, do such effects provide an additional rationale for a policy of partial support for renovation or alteration projects?

Were Government support to be available for replacement as well as renovation and alteration costs, how might the level of Government funds available for contribution be determined? Should they be determined by a revamped cyclic renewal formula geared specifically to replacement as well as renovation and alteration? Could "entitlements" under such a formula then become a basis for the planning of Government capital expenditures

over a multi-year period?

Replacement of Furniture and Equipment. Under present arrangements, no cyclic renewal funds are provided for furniture and equipment unless these items form part of an approved major alteration or renovation project. However, in each of its two funding Memoranda (74-IV and 75-VI), Council incorporated an allowance of 2.5 percent of total non-salary expenditure budgeted for the previous year as a proxy for the incremental cost of replacing furniture and equipment, thereby making this cost a charge on the level of operating grants requested of Government. The resulting operating revenue is, of course, not earmarked and generally available for university disbursement in accordance with over-all internal priorities. Is Council's treatment of furniture and equipment defensible in amount? More important, is Council's approach of recognizing this capital need in calculating the level of operating support desirable in principle? Assuming that university operating revenues continued to incorporate a non-earmarked allowance for furniture and equipment, is the distribution mechanism of the operating grants formula appropriate? Or

rould the more appropriate type of distribuon mechanism be a formula that took speific account of such factors as age and techological obsolescence? Could such a listribution mechanism remain supportive of non-earmarked approach to funding?

#### axpayer and User Contributions

Debate over taxpayer (Government) as oplosed to user (student) contributions to the operating income of the university system aises two distinct issues. The first is over the percentage of university support supplied by dovernment through operating grants in comparison to that collected from students hrough tuition fees. The second involves the question, at any particular average level of tudent-generated support, of who should deermine tuition fee levels by program—the dovernment, individual universities, the uniersity collectivity or some combination of the hree.

The Report and special studies of the Comnission on Post-Secondary Education inluded a well documented and necessarily ontroversial treatment of the questions of axpayer and user contributions to the uniersity system. The recent appearance of the Report of the Special Program Review of he Government of Ontario, followed by the elease of the Ontario Economic Council paper on Issues and Alternatives in Eduation, is rekindling active debate on the subect. In that this subject has profound impliations for the system that comprises this Council's terms of reference, it is incumbent Ipon Council to prepare to make its own nput. Such preparation involves dialogue vith the university community, and as a preiminary step involves some judgement on Council's part concerning the areas in which ts own input could be most appropriate.

Council begins by registering the opinion hat the first main-line issue it has disinguished—that of the percentage of support generated by Government grants as opposed o student fees—has certain facets that probably lie beyond its terms of reference. A key instance is that of fiscal equity. Different mixes of taxpayer as opposed to user financing raise profund questions of income distribution (or vertical equity) among individuals and of discrimination (or horizontal

equity) between those individuals who attend university and those who do not. Questions of vertical and horizontal equity adhere to every important Government expenditure and revenue-raising activity. Precisely for this reason, they involve social judgements that cannot be divorced from a consideration of the impact on horizontal and vertical equity of all Government expenditure programs and all sources of public revenue. Advisory input on such judgements would seem to exceed the bounds assigned to Council by its terms of reference.

Another facet of taxpayer as opposed to user financing involves the extent to which fiscal constraints on Government may demand less reliance by the university system on operating grants and greater reliance on student fees. The Report of the Special Program Review yields a perspective on this question that, pursuant to stated terms of reference, is clearly generated by a search for areas of expenditure reduction in a climate of fiscal constraint. This Council, as an advisory body vested with a responsibility for the public interest, can and does take account of the general economic climate in generating its own advice to Government. A key example is Council's funding advice for 1976-77 outlined in Advisory Memorandum 75-VI. But sensitivity to the economic climate is in Council's view to be distinguished from the judgement of whether fiscal constraint demands a change in the mix of taxpayer and user financing for the university system. This again is a judgement which, in affecting a particular public expenditure program should have some comparative basis geared to knowledge of other public expenditure programs. For both 1975-76 and 1976-77, Government's own judgement was that tuition fees should remain frozen, thereby indicating its conclusion that fiscal constraint should not be a factor affecting the user portion of university as opposed to other public expenditures. Just as Council accepted this judgement by Government in each of the first two years of its existence, so would it maintain the view that the impact of fiscal constraint on the importance of tuition fees should be left for the Government to consider as a matter of its over-all responsibility for provincial fiscal management.

There is a third facet of the issue posed by the relative contribution of fees and grants which by contrast Council deems as falling squarely within its terms of reference. This is the highly important matter of student accessibility to the university system. Council takes as Government policy the intention that the university system is to be broadly accessible. Within this guideline, Council must have an ongoing concern for the extent to which future reliance on user financing could affect accessibility. This concern cannot be isolated from the consideration of student financial aid. Council is momentarily silent on the issue of financial aid policy in deference to the Interim Committee on Financial Assistance to Students, whose report is expected during the coming summer. But it at once claims and accepts a continuing advisory responsibility with respect to the extent to which the level of user financing in the university system, in concert with student aid policy, might affect the accessibility of that system.

The second main issue in taxpayer and user financing is the question of who—Government, individual universities or the collectivity -should fix the actual tuition fees that might be assessed on students in different programs once any particular average level of user support is indicated with reference to the level of operating grants. The implications of this issue for university autonomy, accountability, differentiation and granting formulas are such that it appears central to Council's terms of reference. Council's hearings in the spring of 1975 occasioned considerable discussion of the legal fee prerogative of the universities, a prerogative that has de facto been dormant during the present decade. Hedging their comments with varying degrees of caution. most if not all universities pronounced themselves in favour of some effective measure of fee autonomy.

The Report of the Special Program Review lends support to a restoration of fee autonomy by recommending that "the Government lift its control on tuition fees and allow universities and colleges, either collectively or individually" to determine fee levels. The more recent publication of the Ontario Economic Council on Issues and Alternatives in Education endorses fee autonomy without reference to collective determination, and

hence apparently at the level of individual institutions. The O.E.C. publication offers institutions a guideline for the setting of program fees, namely the varying levels of private benefit and instructional costs of different programs of study. It goes on to suggest the advisability of revisions in the operating grants formula whereby program weights might be altered in the light of the same guideline. Such revisions might be construed as signals from Government on the levels that fees might attain for different programs.

The Special Program Review and the Ontario Economic Council evidently espouse tuition fee autonomy, but their advocacy is couched in terms that are sufficiently vague to suggest to this Council that its immediate dialogue with the university community should seek to clarify the potential roles of Government, universities and the collectivity

in determining fee levels.

The potential role of the collectivity in fee determination can vary from that of a simple organ of consultation to one of joint decision. Is there a spectrum along which consultation in effect becomes joint decision? To what ex tent would collectively determined fee-increase "guidelines" constitute a point at which a process of consultation had become one of joint decision? Are joint decisions in fee setting perhaps desirable, whether across-the-board or by program area (e.g. law, medicine, arts, graduate study)? But what are the implications for accountability? Can or should the collectivity assume the dormant fee-setting prerogative of institutional governing boards? And through what means can the collectivity then be held accountable?

To the extent that the fee prerogative might be meaningfully restored at the level of individual institutions, to what degree are the institutions themselves willing to make social judgements about advisable levels of user contributions? Or do they propose to set these levels only with reference to their self-perceived revenue needs and competitive positions? The Ontario Economic Council correctly observes that provincial student assistance levels should not favour individual universities with higher program fees than other institutions. To what extent are individual universities prepared to mount their own

student aid plans to compensate for the redisributive effects of higher fees? Does the exersise of university autonomy extend to a differentiation among institutions in accordance with the income classes of their respective clienteles?

The role of Government in fee-setting reurns to the extent that institutions will look here for guidelines. Are the guidelines to be hose that might be deduced from whatever change in across-the-board levels of operating support Government chooses to make n any given year? If so, would individual instiutions fall heir to a burden of responsibility or fee levels that otherwise belongs to Government? What of more specific criteria for uition fee increases? Is a private benefits-instructional cost guideline such as proposed by the Ontario Economic Council reasonable and appealing? Is such a guideline likely to rield anything other than system-wide fee diferentials by program? Is this end result not all the more likely if formula weights or fornula fees are altered by Government? And do such alterations not make differential fees a natter of Government responsibility? To close with a summary question, is the restoration of he fee prerogative a constructive measure on behalf of university autonomy or a move that would dilute the respective spheres of Government and university accountability?

### Council's Advisory Memoranda

## 75-I Speech Pathology and Audiology at The University of Western Ontario

During the summer of 1974, the Ministry of Colleges and Universities received from The University of Western Ontario, through the of fice of the Executive Vice Chairman of the Advisory Committee on Academic Planning of the Council of Ontario Universities, an application for funding approval of a Master's degree program in Speech Pathology and Audiology. Council was seized of this application shortly after its appointment on September 25, 1974.

Council notes that the Western application is not in an embargoed discipline, that Speech Pathology and Audiology was duly included in Western's general plan for the development of graduate work, and that the pro posed program has received a favourable ac ademic appraisal. If Council has delayed the formulation of a positive recommendation until now, this is solely because it has been expecting a formal proposal from the University of Toronto, and has been aware of earlie recommendations from the Council of Health and the Ministry of Health that only one institution in the Province should offer a graduate program in Speech Pathology and Audiology.

Council has recently learned that the expected proposal from the University of Toronto continues to await appraisal. For Council to postpone yet further a recommendation with respect to the Western application would clearly be to penalize an institution that has proceeded in good faith with the initiation of a planned and favourably appraised program. As to the earlier recommendations of the On tario Council of Health and the Ministry of Health mentioned above, correspondence with the Health Council indicates that the matter has not been reviewed since it arose some two years ago.

When and if a formal application from the University of Toronto in Speech Pathology and Audiology is received, Council believes that that University should assume the entire burden of showing why it should receive fun-

## 75-II Formula Revision: The Question of Formula Sensitivity to Changes in Enrolment

ding for what might then become a second graduate program in that discipline. As to the Western application, which has by now long cleared each and every step in the funding approval procedure, Council believes that any further postponement of a recommendation is unconscionable. Accordingly, Council recommends to the Minister:

OCUA 75-1

Master's Program in Speech Pathology and Audiology at The University of Western Ontario

That the application for the formula funding of the new Master's program in Speech Pathology and Audiology at The University of Western Ontario be approved.

J. S. Dupré, Chairman

April 29, 1975

Among the items on Council's agenda of possible revisions in the formula that currently determines the distribution of operating grants to Ontario Universities, the question of formula sensitivity to changes in enrolment is one of considerable importance. By letter of the Chairman addressed to the executive head of each institution on February 17, 1975, Council asked that each university offer its views "on ways in which the present formula might be revised so as to become less sensitive to changes in enrolment levels." Council is currently in the process of receiving these views as it conducts its regular Spring hearings with the university community.

The question of formula sensitivity to changes in enrolment is one that Council would be ill-advised to answer precipitously. In equity to the institutions involved, Council must allow its current hearings to run their course so that all views on the question can come properly before it. In fairness to the Government, Council must further allow for the study and reflection that informed advice demands.

Without in any way prejudging what the eventual content of its advice might be, Council wishes to ensure that it will be able to weigh the advisability of a 1976-77 operating grant system less sensitive to enrolment changes than the present formula, in good faith with all involved. In seeking the necessary assurance, Council is above all concerned that full heed be given to the issue of retroactivity that can become an effective barrier to change in fiscal arrangements. It will be recalled that Council, in Advisory Memorandum 74-II, rejected possible changes in formula funding for 1975-76 on the ground that the impact of such changes at that time would have been "arbitrarily retroactive in nature."

At the present moment, Council is well aware that individual institutions confront admission decisions in an environment where the present formula may be one of a number of influencing factors. These decisions might in turn come to be cited as a barrier to formula change for 1976-77 on grounds of arbitrary retroactivity. To avoid this possible outcome, Council must ensure that individual universities make their admission decisions with the knowledge that a formula less sensitive to

## 75-III The Ontario Graduate Scholarship Program, 1976-77

changes in enrolment is a genuine possibility for 1976-77. In full deference to the Government's long-standing policy of maintaining accessibility for all qualified applicants, and to its enunciated funding objective of accommodating predicted enrolment increases, Council respects the need to avoid any change in formula financing that would adversely affect student accessibility to the university system as a whole. But individual universities should be officially on notice that Council is seriously contemplating options whereby formula funding might become less sensitive to enrolment changes than the mechanism now in effect.

So that universities may be informed in this regard at the highest official level, Council recommends to the Minister:

#### OCUA 75-2

Ministerial Announcement With Respect to the Possibility of Revisions Whereby the Operating Grants Formula Might Become Less Sensitive to Enrolment Changes That the Minister make an early announcement to the Universities, Ryerson and the Ontario Institute for Studies in Education, in accordance with the considerations laid out above, informing them that Council is actively considering options whereby the formula that will determine operating grants for 1976-77 might be made less sensitive than the present formula to enrolment changes.

J. S. Dupré Chairman

May 9, 1975

The Ontario Graduate Scholarship Program was introduced in 1973 "to encourage excellence in graduate studies." Winners of the first competition held their awards during 1974-75. The second competion, for awards tenable in 1975-76, has now drawn to a close.

In preparing its advice concerning the third OGS competition, Council has solicited and received the views of the affected institutions, the Council of Ontario Universities and student organizations. Council has also had the benefit of written comments from the Ontario Council on Graduate Studies, and of a report to the Ministry of Colleges and Universities from Professor Peter A. Forsyth, Chairman of the Selection Board for the 1975-76 competition. The latter document is cited in this memorandum as the Forsyth Report.

#### **Program Administration**

Council takes pleasure in opening its remarks by commenting favourably upon a new program that is distinctly stamped by early administrative success. The initial OGS competition was beset by its share of start-up problems. What is noteworthy is the extent to which so many of these problems were corrected in time for the second competition. The Forsyth Report comments that, "this being the second year of operation it might reasonably have been expected that the (administrative) process would go more smoothly", and then observes modestly that "in fact it appears to have done so."

Council is happy to report that the unanimous thrust of the comments received from the university community is to the effect that marked improvements were quickly and smoothly achieved. In so reporting, Council takes due note of the extent to which successful program operation hinges upon close collaboration among Ministry officials, the members of the Ontario Council of Graduate Studies, and the academic experts from the University community who serve on selection panels. The harmonious and constructive quality of government-university relations in the operation of the Ontario Graduate Scholarship Program is a tribute to all concerned and deserves to stand as a model for other initiatives.

Opportunities of course remain for further dministrative improvement and refinement. number of suggestions have been advanced both the OCGS comments and the Forsyth Report. Council has received yet other sugjestions in its briefs from the universities, and vill forward these to the participants in the peration of the scholarship program. Counil warmly encourages the participants to exand their early administrative success into a proven and time-tested record of close colaboration. Council believes that this end is est served in a setting where the participants vill themselves assess suggestions for adminstrative improvement, and implement those hat, on the basis of their growing experience n running the program, appear to them most onducive to operational efficiency and acalemic excellence. While Council remains eady to make available its assistance in chieving administrative improvements, it beieves that a sure index of continuing operitional success will be a setting where Counil's advisory capacity on administrative natters is de trop. In this spirit, Council conines its remarks in the balance of this memoandum to policy matters.

Scholarship Eligibility

Intario Graduate Scholarship holders are seected on the basis of their academic excelence by specialized evaluation panels. As such, the program is one of prestige awards ather than one of student assistance. However, ninety per cent of the 1,000 Ontario Fraduate Scholarships that can be awarded innually are reserved for Canadian citizens. The balance of ten per cent may be allocated o landed immigrants or foreign students.

The university briefs received by Council are virtually unanimous in pinpointing the ten per cent quota within which landed immirants are equated with foreign students as he single greatest source of dissatisfaction with the OGS program. The quota may indeed beg a genuine question of discrimination as between Canadian citizens and landed immigrants, whose equality for such important ourposes as employment, accommodation, nousing and publications is specifically proected by the Ontario Human Rights Code.

Council has studied the eligibility provisions that govern comparable major prestige award programs in Canada. In its studentship program, the Medical Research Council makes no discrimination whatever between landed immigrants and Canadian citizens. The Canada Council requires landed immigrants who are candidates for its doctoral fellowships to have held that status for one year prior to the closing date for applications. The postgraduate scholarships of the National Research Council are open to all landed immigrants who hold that status at the time of application and have completed one full academic year of study and/or research at a Canadian university. The Government of Quebec requires that candidates for master's and doctoral scholarships administered by the province be either Canadian citizens or landed immigrants for eighteen months.

The eligibility provisions governing programs comparable to OGS are evidently variegated. Only the Medical Research Council makes no discrimination whatever between landed immigrants and citizens. The other programs surveyed by Council discriminate between certain classes of landed immigrants by excluding those who have not held that status for a specified time period (Canada Council, Quebec) or who have not studied in a Canadian university (National Research Council). No program discriminates against landed immigrants to the point where, as in the Ontario Graduate Scholarship Program, all persons holding that status are automatically assigned to a restricted quota of

awards.

In the realm of student assistance as distinct from prestige awards, Ontario's own eligibility rules are less restrictive than those governing OGS. The basic eligibility rule for the Ontario Student Assistance Program is that the individual be a Canadian citizen or have resided in Canada and held landed immigrant status for twelve consecutive months prior to the first day of the month in which he or she registers for a course of study.

The comparatively restricted eligibility provisions of the Ontario Graduate Scholarship Program are perhaps even less tenable when it is recalled that this program confers prestige awards rather than student assistance. If

the object of the program is to reward academic excellence, discrimination between landed immigrants and citizens potentially lowers the standards of the competition. That it has in fact done so is apparent from the Forsyth Report. In the words of that document, "The results of the initial evaluation procedure showed up a gross disparity between the cut-off point in awards to Canadians and the corresponding point in awards to landed immigrants. In fact essentially all of the landed immigrants on the reversion list (very few of whom will actually receive an award) would have had an immediate award if it were not for the ... quota." The Forsyth Report goes on to document the intensity with which members of selection panels abhor the existing quota. "There were many violent condemnations ... Some panel members indicated that they would not be prepared to serve again on an evaluation panel if no modification is made in the interpretation of the non-Canadian quota."

The sum of Council's own considerations of the issue is that the eligibility rules for the Ontario Graduate Scholarship Programme should apply equally to Canadian citizens and persons who hold landed immigrant status. Such rules simultaneously serve the goal of equal treatment and further the standards of a prestige award program. Council recognizes that the existing quota, and for that matter the less restrictive provisions affecting certain categories of landed immigrants in the scholarship programs of other jurisdictions, may have been motivated by a perceived need to avoid the granting of awards to what might be called "transient" landed immigrants. Council notes, however, the OCGS observations that "the present immigration regulations, and especially the point system amendments made in February, 1974, bar any student from receiving landed immigrant status for the purpose of gaining eligibility for scholarships and fellowships." Furthermore, the University of Waterloo has pointed out in its brief that:

Recent studies carried out by the Canadian Association of Graduate Schools have shown that about two-thirds of the students who were landed immigrants at the time of graduation, remained in Canada to take employment. They are, therefore, bona fide landed immigrants and not

people who come to Canada as landed immigrants simply to attend university. Indeed some of them may well have been landed immigrants before entering university. This percentage of landed immigrants taking employment in Canacompares very favourably with the 85% of Canadian graduates who take employment in Canada.

In devising a specific proposal in line with it intent, Council is aware of the need for rules that are simple to administer and straightforward in application. Council is therefore prompted to favour an eligibility rule that en compasses persons who are Canadian citizens or who hold landed immigrant status as of the official closing date for applications in each annual Ontario Graduate Scholarship competition. For the 1975-76 competition, this date was December 2, 1974. Council is aware of the fact that, under existing OGS rules, each individual university can make up to ten institutional nominations for scholarships without regard to the closing date for applications. So that Council's proposed eligibility rule will be absolutely straightforwar and hence equitable in its application, institu tional nominees who are landed immigrants should have held that status as of the officia closing date for applications, whatever the time at which they are nominated. Council ac cordingly recommends to the Minister:

#### OCUA 75-3

Ontario Graduate Scholarship Program Eligibility

That the Ontario Graduate Scholarships be equally open to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.

Having made the above recommendation, Council is aware that the effect is to eliminate a quota which, while discriminating against landed immigrants, has permitted other foreign students a limited degree of eligibility. Council has accordingly considered whether a revised quota might be set aside for such students, or for that matter whether they might be equally eligible along with Canadiar citizens and landed immigrants.

In broaching these questions, Council has been impressed by the fact that none of the prestige awards to which it has compared the Ontario Graduate Scholarship Program makes provision for foreign students who are not landed immigrants with the sole exception of the Medical Research Council studentship. At that, the latter agency specifically qualifies the eligibility of such students for its awards by specifying that they must be highly recommended by their prospective supervisors in Canada. In a constitutional framework that clearly assigns the bulk of international jurisdiction to the Government of Canada, Council cannot refrain from noting pointedly that the three federal research councils, with a single qualified exception, do not extend scholarship eligibility to foreign students who are not landed immigrants. This may be because other federal agencies such as the Canadian International Development Agency have been assigned a lead role with respect to foreign students, or it may be for other reasons. Whatever the case, it seems to Council that a provincial program of prestige awards is properly one in which the eligibility of foreign students who are not landed immigrants is of low priority. Council also observes that its briefs from the university community fully reflect this low priority, and that the Forsyth Report states that "there is no objection to a very limited quota for student visa holders or possibly even to declaring such students ineligible." In this setting, Council is content for the time being to restrict eligibility for Ontario Graduate Scholarships to Canadian citizens and landed immigrants.

#### The Level and Number of OGS Awards

The accompanying table compares the current level of OGS stipends to those prevailing under federal prestige award programs. Before offering its views on the advisability of change in the current level of OGS stipends, Council wishes to draw attention to the recently adopted practice that provides for direct Ministry payment of the compulsory university fees for which OGS holders are assessed. This practice is at variance with that followed by the federal granting councils, all of which provide an integrated stipend from which award holders themselves pay the assessed fees of the institutions in which they register.

Comparative Scholarship Stipends					
	OGS	NRC Stipends (PGS 1 & 2)	Canada Council Stipends (1st & 2nd Ph.D.)		
1971-72	_	\$3,800	\$3,500		
1972-73		\$3,800	\$3,500		
1973-74		\$4,050	\$3,500		
1974-75	\$3,400*	\$4,050 to Oct. 1 \$4,500 from Oct.1	\$4,000		
1975-76 % increase in 1975-76	\$3,400*	\$5,000	\$5,000		
over 1974-75	0	23.4%	25.0%		

<sup>\*\$2,400 3-</sup>term stipend plus \$1,000 in tuition and other compulsory fees.

To achieve comparability among stipends for the purpose of its table, Council made the requisite adjustment in the amount of the OGS award. This adjustment naturally led Council to question why the OGS practice with respect to compulsory fees should be peculiar to that program. Far from uncovering any compelling reason, Council finds to the contrary that an integrated stipend from which award holders pay their own fees is conducive to administrative simplicity. Universities do not have to invoice the granting agency and the latter in turn has no bill to pay or verify. More important is the question of equity among graduate students who hold prestige awards from different sources. Even in a setting where there is negligible variation among Ontario universities in the effective level of graduate tuition fees, other compulsory fees can and do differ. The existing Ministry practice, which automatically encompasses all compulsory fees, places OGS holders at variance with their counterparts, winners of other prestige awards, who must pay these fees from their own stipends. Accordingly, for reasons of simplicity and particularly equity, Council recommends to the Minister:

#### OCUA 75-4

Integrated Stipends For Ontario Graduate Scholarship Awards

That the current practice whereby compulsory university fees levied upon Ontario Graduate Scholarship holders are paid to institutions by the Ministry of Colleges and Universities be discontinued in favour of a single integrated stipend payable to all award holders.

Council now reflects upon the differential between the three-term Ontario Graduate Scholarship stipend, adjusted for purposes of comparison to include the \$1,000 that the Ministry estimates as its average compulsory fee payment, and the stipends of comparable prestige awards. It is evident that the original intent of the Ontario Graduate Scholarship program was to provide a stipend moderately lower than federal prestige awards, quite possibly on the reasonable ground that this program provides awards on the basis of a provincial rather than nation-wide competition. At the beginning of the first OGS year, NRC and Canada Council stipends were respectively 19.1 per cent and 17.6 per cent higher than OGS awards. These two federal stipends were then rapidly adjusted upward in the face of inflationary trends, and in 1975-76 will both be 47 per cent higher than the OGS Level. Council is informed that further adjustments in federal prestige award stipends for 1976-77 are under active consideration. As to the Province of Quebec, scholarship stipends are currently in a range of \$3,000 to \$4,500, the exact amount depending on whether an award holder is a master's or doctoral candidate and single or married. Whatever the comparison, it is evident that there is a prima facie case for a substantial increase in the level of OGS stipends in 1976-77.

Council has duly weighed the extent to which a change in the number of OGS awards might constitute an acceptable trade-off against higher stipends. Its clear message from the university community is to the effect that an absolute priority attaches simply to maintaining the numbers of awards at the present level of 1,000. Within this framework, there is on balance a clearly detectable preference for improved stipends over higher

numbers of awards. For their part the federa research councils have adjusted their own sti pends in clear accord with this preference, leaving the number of awards constant.

It appears to Council that the very purpose of the Ontario Graduate Scholarship Program speaks in favour of according priority to improved stipends over an increased number of scholarships. A prestige award designed "to encourage excellence in graduate studies" should carry a stipend sufficient to attract an nurture excellence in the face of increasingly financially attractive alternatives to graduate study and of economic pressures that detract from scholarly endeavour.

Council has duly weighed possible alternative stipends for 1976-77, and observes that an integrated award of \$4,500 would reduce the differential between Ontario and federal prestige awards to either moderately below or moderately above the original differential of 1974-75, depending on whether or not federal stipends are again increased for 1976-77. Accordingly, Council recommends to the Minister:

#### OCUA 75-5

Ontario Graduate Scholarship Stipends, 1976-77

That the Ontario Graduate Scholarship carry an integrated stipend of \$4,500 or \$1,500 per term in 1976-77, it being understood that the number of awards will be maintained at the current level of 1,000.

As to what might constitute a desirable number of awards in 1976-77, Council has chosen after due deliberation to espouse no increase for that year. This is in part to emphasize the priority that Council attaches to the level of stipend recommended above. It is also because Council does not yet consider itself sufficiently knowledgeable to offer informed advice on the question. Council simply wishes at this time to record the view that any future judgement as to the appropriate number of OGS awards must give due weight to the primacy of excellence in a prestige award program. This view necessarily assigns secondary priority to broader considerations of either accessibility or manpower need.

**Other Policy Issues** 

council closes this memorandum by addressing itself briefly to five OGS policy issues that ave come to its attention. These are discilinary coverage, institutional awards, renewls, graduate study in francophone univerities, and earnings limitations.

Disciplinary Coverage

Intario Graduate Scholarships, unlike their redecessor program which favoured the hunanities and social sciences, are uniformly vailable in all disciplines. But the outcome of ne first two competitions has been a distribuon pattern whereby award holders in the hunanities and social sciences continue to preominate. This probably reflects the lower vailability of federal prestige awards in these reas, particularly for the first year of gradute study. As a general proposition, Council hares the concern of the university commuity for nation-wide balance in rewards for exellence in all disciplinary areas when both ederal and provincial programs are taken nto account. The current outcome of OGS ompetitions appears to contribute to such a alance even though the Ontario program is pen to all disciplines. It does not therefore ppear necessary to consider any restriction n OGS disciplinary coverage at this time. As o the future, Council notes approvingly that he intent of proposed federal legislation with espect to the major research councils is to meliorate treatment of the humanities and ocial sciences. An improved balance in fedral award programs would remove any need o consider restricted disciplinary coverage in he OGS program.

nstitutional Awards

of the 1,000 OGS awards, 150, or ten per proincially-assisted university, are available on a stitutional nomination for tenure in the iominating institution. This feature of the program is particularly appreciated by small iniversities, and generally welcome for the lexibility it provides. Council is inclined to eave institutional awards undisturbed for the present, but wishes to emphasize the importance it attaches to administrative practices designed to ensure that institutional tward holders meet the standards of excelence of the general competition. In this con-

text, Council views as simply unacceptable the OCGS suggestion that universities should be completely free "to nominate any candidate, even those who... may have been turned down for an OGS."

### Renewals

Unlike federal prestige awards, Ontario Graduate Scholarships are not renewable on the basis of satisfactory performance. Instead, award holders must compete annually on exactly the same basis as candidates for first awards. Council has received a number of representations on this issue. Similar proposals are discussed in the Forsyth Report as follows:

It was again suggested that some form of renewal (subject to satisfactory performance) might be introduced into the program but there is evidence from this year's experience to suggest that if adopted it should not apply to a first award under the program. A different, but related, suggestion is that awards should be made in two or three different competitions each corresponding to a particular level of graduate study. These suggestions regarding renewability and stratification are passed along for consideration, but do not have the endorsation of the Board. Indeed, there is a danger that implementation of either suggestion would tend to degrade the scholarship competition by introducing some elements of the support system.

Council is impressed by this analysis of the problem and accordingly believes that it would be premature to consider a change in policy that would affect the 1976-77 competition.

Graduate Study in Francophone Universities Ontario Graduate Scholarships are tenable only in Ontario universities. Council notes with concern the OCGS observation that this otherwise understandable rule may occasionally create difficulties for francophone scholarship candidates who wish to pursue a particular graduate program in French when such a program is not offered in Ontario. Council lacks a sufficient grasp of the nature and magnitude of this problem to formulate a recommendation at this time. Perhaps as an

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interim measure any clearly identified problem case could be handled as a matter of administrative discretion.

### Earnings Limitations

It has been brought to Council's attention that the current earnings limitations applied to OGS holders have not been fully adjusted to reflect the existing ceiling on remuneration to teaching assistants. Having been made aware of the extent to which universities remain short of meeting the ceiling for financial reasons, Council is reluctant to countenance a change in the existing amount. But the earnings limitations applied to OGS holders require an adjustment to meet the present ceiling, and also to take account of the tuition fee integration and higher stipends recommended earlier in this memorandum. Accordingly, Council recommends to the Minister:

### OCUA 75-6

Adjustments in Earnings Limitations Applied to Holders of Ontario Graduate Scholarships That the current earnings limitations applied to holders of Ontario Graduate Scholarships be adjusted mutatis mutandis to reflect the current ceiling on remuneration to teaching assistants, an integrated scholarship stipend (75-4), and a higher level of global stipend (75-5).

J. S. Dupré Chairman

June 21, 1975

#### The Genesis of the Process

The system-wide process of graduate program planning in which Ontario universities are currently engaged was launched in response to the report of the Commission to Study the Development of Graduate Programs in Ontario Universities (the Spinks Report), published in 1966. This report, itself the outcome of a joint initiative by the then Committee of Presidents of Universities of Ontario (now the Council of Ontario Universities) and the Committee on University Affairs, prompted the mutation of an earlier advisory. committee into the Ontario Council on Graduate Studies. OCGS was charged with the task of advising COU "on the planning and development of an orderly pattern of graduate education and research ... (and on the) need to avoid unnecessary duplication of programs and facilities." The new body established forthwith an appraisals procedure to which all new graduate programs would henceforth be subjected. This procedure was placed under the aegis of an Appraisals Committee.

Also in the wake of the Spinks Report, impetus was given to inter-university consultation on graduate studies within individual disciplines and professions. The formation of discipline groups was actively encouraged, and in 1968 OCGS formed an Advisory Committee on Academic Planning to guide the development of these groups. This committee was greatly strengthened two years later by measures that virtually coincided with a governmentally imposed embargo on new graduate programs motivated by serious concern over the rapid rate of graduate expansion. ACAP was given the task of conducting planning assessments in the disciplines and was endowed with a full-time Executive Vice-Chairman. While it continued to report through OCGS on matters of general policy, ACAP acquired a direct relation to COU with respect to the results of assessments and consequent proposals for the orderly development of graduate work.

What originally had been a blanket government embargo on any new graduate program was soon modified into an embargo list of some twenty disciplines in which the danger of over-expansion was deemed to be most acute. In these disciplines, the effect of the embargo was to freeze the initiation of any

ew programs save in designated emergent niversities at the master's level. Such instituons were permitted new programs provided uses formed part of an approved institutional ve-year plan. The larger universities, begining in 1972-73, were themselves subjected to form of graduate planning at the instituonal level when they were asked to submit tree-year plans indicating any new graduate rograms whose development might be in the ffing.

Thus evolved the system-wide process of raduate planning that Council found in place the time of its appointment in the autumn of 974. The principal actors at the system level re the Ontario Council on Graduate Studies ith its Appraisals Committee, and the Adviory Committee on Academic Planning with sidual relation to each of OCGS and COU.

In a nutshell, the working of the process inolves, for an embargoed discipline, the comletion of a discipline assessment by expert onsultants selected by ACAP, and recomnendations based thereon by ACAP and OU. The assessment and recommendations, ssembled in a single document, are preented for Council's consideration with the equest that "in view of the acceptance of the ecommendations by COU and the comletion of this planning assessment, the Onario Council on University Affairs request the Minister to remove the embargo ... in accordnce with the original announcement of the linister that new graduate programs would e embargoed until, for each discipline, a lanning study has been conducted."

As to the more selective aspect of systemvide graduate planning, the approval of new programs, the process requires that the releant discipline be free of embargo either beause none has been imposed or one has een lifted. A proposed new program must lave received a favourable appraisal under he aegis of the Appraisals Committee and be n accordance with a university's three or fiverear plan. In addition, for a new program in a previously embargoed discipline, the proram must be in accord with the COU recomnendations arising from the discipline assessment. Council, having been notified by COU that the relevant conditions have been net, can then recommend to the Minister that he program be funded.

A final aspect of the existing planning process involves an annual statement from COU with respect to its over-all monitoring of developments in the graduate area. The concept of a formal COU monitoring role emerged in 1973 in answer to the question of how the COU recommendations attached to assessments of embargoed disciplines could be enforced once the embargo was lifted. In practice, the monitoring concept is coming to encompass not only planning assessment recommendations but more generally any dimensions of graduate program planning designed to keep pace with changing patterns of academic needs and activities.

The Planning Process and the University Community

Given the ongoing process of graduate planning in operation at the time of its creation, Council accorded due priority to the task of educating itself on the subject. For the prime source of its education, Council had recourse to the vehicle provided by its spring hearings with the universities. By letter of the Chairman dated February 17, 1975, the executive head of each institution was notified that

Council wishes to engage in a thorough discussion of the accomplishments and implications of ACAP, the relations between ACAP and discipline groups, the extent to which ACAP planning is primarily quantitative or qualitative, how your university has responded to specific COU recommendations respecting ACAP assessment thus far, the nature and success of present or envisaged monitoring processes, and the potential of rationalization methods that will ensure the viability in Ontario of high quality graduate programs and establishments under conditions of fiscal stringency.

Council's hearings yielded a wealth of information and views on the graduate planning process. There can be no doubt that, in the words of the University of Western Ontario, "discipline assessment was never considered a trivial activity to satiate a governmental edict; it has always been a serious effort to establish a high quality system without unnecessary redundancy." More broadly, the university community displayed a strong consensus to the effect that, as summarized by the University of Toronto, "the planning

process has served many useful purposes to date, most notably in leading Ontario universities to undertake important self-evaluation, in increasing the universities' movement toward inter-university cooperation and toward common high standards for graduate work in Ontario, in encouraging some division of labour, and in drawing attention to particular problems in specific disciplines."

This much said for an evident record of solid accomplishment, there are aspects of the graduate planning process that were roundly criticized. It is with regard to such aspects that Laurentian perhaps spoke for the university community when it stated that "we have been able to contain our enthusiasm for the activities of ACAP." The most widely shared criticism brought to Council's attention was directed toward the enormous amount of time and manpower consumed by the planning process. Just as the smallest Ontario university, Trent, stated that "we now question whether an indefinite continuation of the present approach will provide longterm gains commensurate with the very large expenditure of money, time and effort which this would entail," so did the largest, Toronto, observe that "the overall size and complexity of the present ACAP process, and the direct and indirect costs involved when placed against the outcome, have led a considerable number of disciplines to question the justification for this type of planning."

Given virtually unanimous agreement on the above, universities offered quite individual views on specifics. A substantial number linked the cumbersomeness of the planning process to its quantitative dimensions. The latter in turn might stem from what Carleton University cited as disproportionate emphasis on "the belief that the universities were in danger of producing too many graduate students in some disciplines." On the other hand, their continued existence could possibly be explained by the extent to which they are viewed as a substitute for hard decisions in a setting where, as noted by the Ontario Institute for Studies in Education, "the easiest avenues toward coordination tend to consist of often over-simplified quantitative measures."

Quantitative dimensions aside, the minute definition of fields associated with the plan-

ning of so-called specialised Ph.D. programs was cited in a number of instances as a source of administrative complexity. The same phenomenon was said to stifle interdisciplinary development in what Queen's University considered "a kind of inflexible or thodoxy." With respect to the five-year plans required of the smaller universities, the most common allegation of cumbersomeness related to the process of amending the plans, which in Lakehead's words required that "every time a new program is sought to be added to the five-year plan, the whole plan has to be re-examined and all the master's programs re-scrutinized."

Outside the realm of administrative cumbersomeness, it was widely noted that the discipline assessments varied in quality and in the emphasis which different teams of consultants had accorded to different parts of their terms of reference. A number of universities pointed to the existence of what were termed weak assessments but none ventured so far as to compile a list. The quality of the relationship between discipline groups and ACAP was likewise deemed variable, but in numerous instances there appears to be no doubt that the planning process has succeeded in what McMaster described as "synthesizing the particular viewpoints and interests of the universities and the discipline groups." As to the capacity of the planning process to induce inter-university cooperation, the University of Guelph cites the specific impetus given to a joint undertaking with the University of Waterloo by the chemistry discipline assessment. On the other side, however, Carleton notes that the "ACAP reports are monotonous in their recommendations for university co-operation," perhaps at the expense of "the more important question of intra-university strength or weakness."

The University community was generally silent on the appraisals portion of the planning process. This is perhaps explained by York University's observation that "an appraisals exercise is seen as an opportunity to benefit from advice or even admonition" whereas a discipline assessment "is seen as a possible threat to the very continuation of the programs concerned." In that the discipline assessments are yielding so-called "consequent appraisals" of individual programs, university

views of the unfolding appraisal exercise may be of considerable future interest.

Council has not sought in the preceding paragraphs to catalogue the many points advanced by the university community but rather to indicate the tenor of the education that its spring hearings occasioned. An evaluation of the criticisms expressed is beyond the present state of Council's knowledge, as are explanations for the extent to which cerain practices, while cumbersome on their ace, might be justifiable for the achievement of valid ends. Graduate program planning is an area of interface between government and universities, and Council submits the gist of ts education in the spirit of encouraging what should be an iterative process. With respect to accomplishments thus far, Council is at one with the view succinctly expressed by the Jniversity of Windsor that "in a difficult and exacting obligation, the operations of ACAP have been carried forward in a positive way."

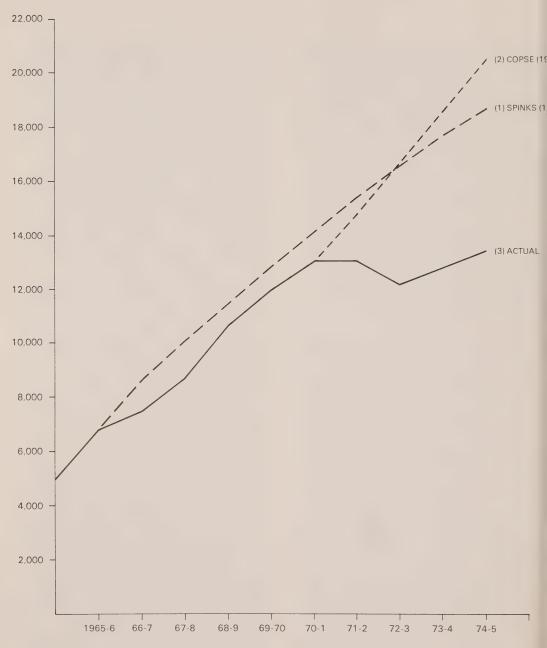
The Planning Process and the Public Interest At this point in time, the process of graduate program planning has made positive conributions in an important area of interface beween government and universities. The furherance of this process in future causes Council to consider the rationale for governnent-university relations, which is grounded n considerations of the public interest. It was precisely "the transfer of the lion's share of iniversity financing to the public exchequer, coupled with the rapid rise in the cost of gradlate training" that caused the Spinks Report o see the orderly development of graduate vork in the province as a matter of "pressing and immediate urgency" in 1966. In that year he most conservative forecast before the Spinks Commission indicated that the enolment of full-time graduate students, then 3,874, would reach 18,640 in 1974-75. It was lear that considerations of the public interest lictated measures for the orderly accommolation of this enormous growth with full rejard for fiscal responsibility and academic effectiveness.

Four years after the Spinks Report was pubished, full-time graduate enrolment had grown at almost the predicted rate. Furthermore, the most conservative forecast then before the ongoing Commission on Post-Secondary Education indicated an acceleration of the rate such that the enrolment of full-time graduate students would reach 20,330 in 1974-75. This picture is what prompted ministerial action in 1971 with respect to the imposition of embargoes. The continuing public interest in the orderly accommodation of growth made evident the need to control program proliferation.

As Council's account of the genesis of the current graduate planning process makes clear, the university community paid full heed to the public interest through a blend of anticipation and response. But the fact is that in 1970-71 as in 1966-67 the need for new departures was seen by both government and the universities in the context of a continued rate of rapid expansion in graduate student enrolment. What has developed instead is the very different enrolment picture traced on the accompanying chart. For a combination of social, economic and policy reasons, 1970-71 proved to be the last year of expansion in graduate student enrolment. By 1974-75, fulltime enrolment, having been static or declining for three consecutive years, attained a level of 13,411, only marginally above the 13,061 reached in 1970-71.

In this setting graduate program planning geared to the orderly accommodation of rapid enrolment growth is no longer in line with reality. What considerations of the public interest might now impel a continuation of the planning process? In devising its answer to this question, Council has had occasion to reflect seriously on the financial portrait painted by universities in their briefs. This portrait is one of falling budgets, in real dollars, for library acquisitions. It depicts a scene of ongoing capital consumption through inability to make provisions for the maintenance or replacement of scientific equipment. It shows a horizon over which fixed faculty complements will very likely entail a reduction in the time devoted to graduate supervision as still rising enrolment at the undergraduate level, whether in professional or academic disciplines, makes its added claims on professorial resources.

### **Full-Time Graduate Enrolment in Ontario Universities**



- (1) Most conservative (Alternative C) forecast used in the Spinks Report, (1966), page 20.
- (2) Most conservative (Dept. of University Affairs) forecast used in COPSE Study Manpower Forecasting and Educational Policy (1971), page 233
- (3) Actual enrolments reported by universities. Actual data for 1971-72 and beyond exclude full-time graduate enrolment at OISE, Wilfrid Laurier University, Regis College and Dominican College. Thus the data for the period 1971-72 through 1974-75 are comparable to the data for the historical period, 1965-66 through 1970-71. Enrolment data include graduate students who are ineligible for funding.

These doleful dimensions of the fiscal selfportrait sketched by universities are not new and have been in place since 1972. The pasage of time is serving only to bring them into harper focus. Furthermore, in that their efect is cumulative, they are not quickly erasible even by hoped-for improvements in anual funding. It is in the face of the realities hey depict that considerations of the public nterest in graduate program planning can be leduced.

The level of development achieved in gradlate studies and research represents a subtantial investment by the people of Ontario. It is in the protection of this investment that he public interest now needs to be served. The public interest requires a system of gradlate program planning now as in the past, but dapted to a singularly changed environment.

"The basic question which nobody seems o dare raise is the following: is the existing interprise in graduate studies in Ontario too arge (either in spectrum of programs or in number of registered students) for the popuation or the economic capacity of the provnce?" In making this statement and hence laring to ask, the University of Ottawa choed a concern whose shadow is discernole in the pages of the Green Paper submited to Council by the COU Special Committee o Assess University Policies and Plans. Council has had many an occasion to ponder his concern in assessing the stake which the jublic interest has in the future of univerities. The questions raised in Council's mind liffer somewhat from that formulated by the Jniversity of Ottawa, but their spirit is dentical.

Council begins by asking what the outomes of a graduate planning process geared
o current realities should be. In posing this
juestion, Council is prompted by a stimuating passage in the brief submitted by the
Jniversity of Waterloo. There the point is
nade that if the planning process is allowed
o develop properly, the following outcomes
vill result. "Weak programs will be trimmed
ack or perhaps in some cases eliminated,
rotentially strong programs will be strengthmed so that they can realize their full potenial, and already strong programs will be
naintained." Council has no quarrel with
hese outcomes. But are they fully in line with

the fiscal problems that beset the universities?

Council considers the implications of maintaining the "already strong programs" in Ontario universities. These programs are indeed strong, and this by international standards. But maintaining what are already strong programs by international criteria is not a matter of standing still. Keeping pace with the world standard of scholarship involves, as in Through the Looking Glass, running as fast as one can just to stay in place. In this light and that of current fiscal problems, the further matter of strengthening potentially strong programs gives pause. How is this desirable outcome to be pursued in relation to the demanding task of maintaining the already strong programs? How can the planning process help to ensure that the latter are in fact maintained? And how can it assist in selecting precisely those potentially strong programs whose strengthening has a priority such as to make its achievement as important as maintaining what is already strong? Finally, and of considerable importance, how can the planning process further the identification and development of warranted new programs in the face of competing priorities?

The Planning Process and the Role of Council The answers to Council's questions are such that they must be left to evolve over time. But the university community, ever anticipating as well as reacting to changes in its environment, has already advanced what could become an important element of the response. Council takes certain suggestions made by Queen's, Toronto and Western as indicating the desirability of province-wide reassessment of all disciplines at periodic intervals. Council warmly endorses this idea in principle, not least because of the manifest stake of the public interest in the qualitative standards which the investment of tax dollars has permitted the university system to achieve. Whatever the present or future dimension of fiscal problems, Council takes as an absolute the right and need of the public to know what is happening to these qualitative standards. The basic focus of a reassessment exercise should be quality—of faculty, of students, of library holdings, of equipment.

In a situation where the current process of discipline assessment has yet to be completed, it is plain that the launching of a reassessment exercise is some years away. But the university community might well consider the early announcement of a reassessment exercise in that the expectation of a comparative re-evaluation of qualitative standards can itself have a salutary effect on priority setting. Furthermore, acceptance in principle of reassessment can generate prior adjustments to the planning process in line with the qualitative orientation of this exercise. It can perhaps contribute to the selection of the terms of reference that must be given to the consultants who will be completing the current round of discipline assessments. It will also serve to emphasize the qualitative dimensions that should infuse all aspects of graduate program planning. Possibly too, reassessment will enable COU, OCGS and ACAP to reexamine their administration of graduate program planning. Some of the allegedly cumbersome features of the existing process may lose their purpose in a setting where reassessment is on the way. Finally, Council observes that the advent of a reassessment exercise might well induce a re-evaluation of the existing discipline assessments. Some of these are alleged to be weak. The scheduling of a reassessment process need not follow the order in which disciplines were originally assessed, and should cause the university community to come to grips with the task of identifying which discipline assessments were in fact weak.

Council advances the above suggestions in the spirit of a situation where the process of graduate program planning is an area of interface between universities and government. As to the primacy of the universities, both individually and collectively, in the planning process, Council has no doubt. With all respect to the lone university, Queen's, which advocated that Council assume the planning role now filled by the university collectivity, Council cannot now see itself in this role. Rather, Council aligns itself with the McMaster observation that "the very special and complex role of graduate education within the university can only be appreciated and shaped correctly by those who are completely familiar with that institution and its programs." These individuals are to be found in the university community, and can best perform their task under the aegis of its collective agents.

Council sees its proper role in the planning process as one that should go no further than according full respect to the governmentuniversity interface in graduate program plan ning. This means that Council's duty is to en sure that the advice it gives to the Minister and Government pertaining to the planning process is in line with considerations of the public interest in the orderly development of graduate work. These considerations are acquiring a new orientation in a changed environment. They dictate in particular that Coun cil, in advising on graduate programs, do so with full regard for the portrait that universities sketch of their current financial situation.

Three practical points follow from the above. First, Council should take stock of the over-all graduate planning process on an annual basis. Second, it should take scrupulous care that in recommending new programs fo funding it has been informed not only of their need and desirability but of their impact on the financial position of the university system Third, Council should, in the spirit of an iterative planning process, make its recommendations to Government in the context of discursive advisory memoranda in which the public interest in the balance between fiscal resources and qualitative standards is articulated.

Council has initiated the pursuit of the third objective in this memorandum. As to the second, Council will in future advise on new graduate programs on only one fixed date each year. This will enable Council to have before it the entire range of proposed new programs at once, and facilitate its task in balancing fiscal realities and new initiatives. The pursuit of the first objective indicates that Council should consider new programs at one and the same time as it reviews the annual COU monitoring report, which in turn can make an added contribution of its own by placing planning developments within their general fiscal context. Quite specifically, Council has in mind the fact that while new programs generate new funding, they do so within limited financial resources and therefore at the expense of the basic formula unit

alue that in turn affects other programs, the tate of library acquisitions and the rate of apital consumption. Council makes this observation not to stifle new initiatives but simily to reinforce the extent to which the planing process must focus on priorities.

It follows that it would be desirable for fuare COU monitoring reports to assess the exent to which new programs can be differntiated between those that serve genuinely nfilled needs and those that simply respond, owever desirably, to institutional or discilinary ambitions. Council's education in the lanning process is admittedly at the elemenary level, but it cannot refrain from noting the issatisfaction expressed by universities over ne current distinction between general and pecialized Ph.D. programs. While instituonal dissatisfaction with this distinction apeared to be prompted mostly by the conequent administrative complexities, it was Iso linked to the more telling question of hether or not specialized Ph.D. programs mount to a consolation prize. If the latter is ne case, specialized Ph.D. programs may in act exemplify the kind of new programs hose initiation should be weighed against nat of new programs that seek to fill geninely unmet needs. The lifting of the emargo on physical education, kinesiology and slated areas will bring to the fore a number of ew programs that may fit the latter category. In inviting COU to submit expanded monoring reports and new program proposals in n annual package, Council reconfirms its atisfaction with the accomplishments of the lanning process thus far. The capacity of the niversity community to anticipate as well as spond to a changed environment is a matter f record. Even as Council was receiving the ews of the universities on the planning proess, COU was realigning the relations mong itself, OCGS and ACAP in a manner nat could streamline and improve the planing process. Furthermore, in that this relignment encompasses closer liaison beveen assessment exercises and the work of ne Appraisals Committee, it is directly in step ith the considerations of the public interest nat Council has outlined. Finally, Council otes with the greatest satisfaction that COU, preparing for the discipline assessment overing the mathematical sciences, proposes to advise its member universities not to introduce new programs in these disciplines until the planning studies have been completed. This becomes a COU rather than a ministerially-imposed embargo, and gives further evidence of the maturity that the graduate planning process has achieved. In this self-imposed embargo, the university community has Council's full support.

Council now comes to the matter of existing embargoes on disciplines in which assessment studies have been completed. Holding in high regard the positive accomplishments of the graduate planning process, Council recommends to the Minister:

### OCUA 75-7

Lifting of Embargoes on Disciplines in Which Planning Studies Have Been completed That the embargoes on the following disciplines be removed on the understanding that continued monitoring of the recommendations in the respective planning studies be the responsibility of COU:

Physical Education, Kinesiology and Related Areas

Chemical Engineering

**Electrical Engineering** 

Metallurgical and Materials Engineering

Mechanical Engineering

Industrial Engineering and Systems Design

Religious Studies

Planning and Environmental Studies

Physics and Astronomy

History

## 75-V Graduate Program Planning and Formula Revision

Having made the above recommendation, Council observes that, with respect to new programs that may be forthcoming under the title of Physical Education, Kinesiology and Related Areas, it may be necessary to take steps to ensure that any legitimate interests of other government agencies will be taken into account.

New program approvals will in future be considered by Council in the context outlined earlier in this memorandum. In accordance with previous practice, a number of approval requests have been submitted to Council over the last several months. Council has in each instance satisfied itself that the program is in an unembargoed discipline, has been appraised, and is in accordance with its university's three or five year plan. Accordingly, Council recommends to the Minister:

### OCUA 75-8

Funding of New Graduate Programs
That the following programs be deemed eligible for formula support:

Program	Level	University
Art Conservation	M.A.	Queen's
Biology	M.Sc.	Lakehead
Counselling	M.Ed.	Queen's
Environmental Geology	Ph.D.	Waterloo
Geography	Ph.D.	Queen's
Political Science	M.A.	Wilfrid
		Laurier
Sociology	M.A.	Lakehead
Sociology	M.A.	Queen's

Council notes that each of the above programs has an established BIU weight with the exception of the M.A. in Art Conservation at Queen's. Council asks that the selection of an appropriate weight for this program be subject to discussion between Ministry and University officials before it advises on the question.

J. S. Dupré Chairman June 21, 1975 In Advisory Memorandum 75-II, Council stated that it wished "to ensure that it will be able to weigh the advisability of a 1976-77 operating grant system less sensitive to enrolment changes than the present formula in good faith with all involved." So as to "ensure that individual universities make their admission decisions with the knowledge that a formula less sensitive to changes in enrolment is a genuine possibility for 1976-77," Council recommended to the Minister of Colleges and Universities that he make an early announcement to this effect. The Minister accepted Council's recommendation, and duly made the requested announcement by letter of May 16, 1975 to the executive heads of the fifteen provincially-assisted universities of Ontario, to the Acting President of Ryerson Polytechnical Institute and to the Director of the Ontario Institute for Studies in Education.

By the conclusion of its spring hearings in June, Council had received a variety of views from the university community with respect to formula revision. Also in that month, Council issued Advisory Memorandum 75-IV, its first official statement on graduate program planning. Council has since engaged itself in formulating advice on funding levels for 1976-77 in discussing possible formula changes for that year, and in pondering the longer run future of the Ontario university system. The topics currently on Council's agenda have multiple implications that will find their way into subsequent advisory memoranda and reports both during the current year and later.

Council's reflections on the university system are now more advanced in the area of graduate work than in others, not least because the need to produce Advisory Memorandum 75-IV assigned a place of priority to graduate program planning on Council's spring agenda. In this setting Council's views on the development of graduate work became readily folded into subsequent discussion of formula revision and the longer run future of the university system.

Council has now concluded that both concerns indicate a clear need to suspend the existing formula with respect to graduate work in 1976-77, and to maintain this suspension for a period of at least two and possibly three

ears, during which the entire basis for funling graduate work can be searchingly rexamined. The suspension which Council esouses would totally divorce Government unding of graduate work in each university rom enrolment fluctuations, be they upward or downward. Each institution would in effect eceive a "graduate studies grant" geared to oflation rather than student numbers. Counil retains under advisement the precise nechanism whereby this grant might be calulated in 1976-77, and briefly discusses two Iternatives at the end of this memorandum. Council's espousal of a two or three year uspension of the formula with respect to raduate studies stems from a number of nter-related considerations. First, Council dopts as its own the concern expressed by he Commission on Postsecondary Education 1 Ontario that the long run future of univerities, be they large or small, is not necesarily best served by a formula arrangement nat associates both teaching and research osts with numbers of graduate students. lecond, Council, as it made evident in Adviory Memorandum 75-IV, is abundantly aware if the need to ensure that the development of ew graduate programs not take place at the xpense of the financial viability of the univerity system as a whole. Third, in that this need ndicates a rationing in the distribution of exsting programs to permit new program develpment, Council wishes to ensure that whatver steering effects in the present formula ncourage program proliferation be neutralzed. Fourth, Council deems it highly deirable to foster an atmosphere at the level of residents and Boards of Governors in which ne forward planning of graduate work within ndividual institutions can be freed from hort-run revenue considerations. Fifth and nally, Council wishes to foster an atmophere in which planning can proceed at the ystem-wide level in like freedom from such onsiderations.

The above, rather than a concern over eiher enrolment growth, which is currently noderate, or short-term economies to the Government, which will be marginal, are what lave brought Council to advocate a suspension of the formula with respect to the unding of graduate work at this time. Council ecordingly recommends to the Minister:

### OCUA 75-9

Suspension of the Formula With Respect to the Funding of Graduate Work That the present formula be suspended with respect to the funding of graduate work in 1976-77 and 1977-78 in favor of grants to institutions that will be totally insensitive to changes in enrolment levels.

As to the content of what is deemed to be "graduate study", Council appends to this memorandum sections 12 and 6 of the Operating Formula Manual. These sections indicate that this term embraces all study requiring an honours undergraduate degree or its equivalent as a prerequisite for admission save for baccalaureate programs in social work, library science, law, medicine, (including interns and residents), and teacher education. Council keeps under advisement the question of whether enrolment insensitivity in the funding of graduate study should be extended to 1978-79 or beyond so that it can duly weigh developments in planning and decision-making as they emerge.

Council also keeps under advisement the more immediate question of the mechanism whereby funds for the support of graduate study could be most equitably distributed in 1976-77. One possible approach is simply to consider the 1975-76 graduate income of each institution as its base grant, and to escalate this amount for inflation. This approach, given slip year, would produce a distribution of funds that is geared to 1974-75 enrolment. While Council deems Advisory Memorandum 75-II as constituting due notice of such a possibility, it is seriously considering an alternative that would respect the 1975-76 distribution of enrolment, including enrolment in new programs recently approved as eligible for funding. Under this alternative the base for the 1976-77 graduate studies grant would remain the system-wide income for 1975-76, but the derived amount would be distributed in a manner that reflected institutional enrolment in 1975-76 rather than 1974-75. In that Council wishes to accord serious consideration to this alternative, it urges the Council of Ontario Universities to submit by mid-December for this Council's judgement any anomalies arising from new graduate programs that had successfully completed all prerequisite steps

## Appendix to Advisory Memorandum 75-V

to funding approval at the time the Minister accepted Council's Advisory Memorandum 75-IV on July 22, 1975. Funding approval of these programs would not alter the size of the global graduate studies grant but would permit its distribution to reflect the 1975-76 enrolment in these programs.

More generally, Council wishes to exhort the Council of Ontario Universities to maintain and enhance its role in graduate program planning in the spirit of Advisory Memorandum 75-IV. The COU processes of assessment, appraisal and three-year institutional plans must remain in place, and Council will be prepared to assist in the enforcement of these processes by recommending appropriate penalties in the doubtless unlikely event that the need should arise. For the rest, Council's request in Advisory Memorandum 75-IV that COU submit expanded monitoring reports and new program proposals in an annual package acquires redoubled significance. In a setting where graduate funding is divorced from enrolment levels for a minimum period of two years, Council's interest not only in new program development, but in the possible reduction of established programs that can be considered without immediate revenue loss, will be absolute. The observed effects over time of Council's recommendation on graduate funding in 1976-77 and 1977-78 will be a key to the longer run future of graduate program planning and formula financing in Ontario. In that Council intends to comment on these effects in the course of its successive annual reviews of graduate program planning, Council will be able to communicate clear signals on what it deems advisable in the longer run. Thus for example, it will be possible for Council to touch meaningfully on such specific matters as the future funding eligibility of specialized as opposed to general Ph.D. programs, the feasibility of direct research funding unrelated to numbers of graduate students, and the need for more adequate provincial recognition of the indirect costs associated with research.

J. S. Dupré Chairman

October 17, 1975

### Formula Criteria for Determining Graduate Student Status

To count as a graduate student for purposes of calculating formula operating grants, a student must:

- (i) be engaged in studies requiring an honours undergraduate degree or its equivalent as a prerequisite for admission (the honours degree admission requirement does not apply, however, to students enrolled in category 5 graduate programs). Students holding an undergraduate general degree or its equivalent and enrolled in programs listed under categories 6, 7 and 8, should be identified as "qualifying year" or "make-up" students and reported as undergraduates.
- (ii) not be enrolled in a baccalaureate program in any of the following professional fields: social work, library science, law, medicine, teacher education. Even though such a student possesses an honours undergraduate degree, he is not considered to be a graduate student.
- (iii) be making substantial demands upon the resources of the university in which he is registered.
- (iv) not be ineligible for any of the reasons outlined in the previous section headed "Students not eligible for formula support".

Table of Categories for Determining Basic Income

UNDERGRADUATE, DIPLOMA AND FIRST DEGR CATEGORY 1 WEIGHT 1

All General Arts

All General Science

All Pre-Medicine

All Pre-Business Administration

All Pre-Commerce

All Journalism

All Secretarial Science

All Social Work

First-Year Honours Arts and Science All Undergraduate Diploma Courses, other than those specifically listed CATEGORY 2 Commerce and Business Administration WEIGHT 1.5 Social Work Upper Years Honours Arts (including 'make-up'' year and ''four-year major'' Hospital Administration Public Administration programs) All Commerce Journalism All Physical Education All Law CATEGORY 6 WEIGHT 3 All Library Science (including Master's Level (and First-Year Ph.D. "make-up" year) direct from Baccalaureate): All Fine and Applied Arts Humanities All Physical and Occupational Education (formula weights as they Therapy — both degree and diploma apply to the Ontario Institute Art as Applied to Medicine for Studies in Education and the University of Ottawa are described in detail in another section) CATEGORY 3 WEIGHT 2 Social Sciences Upper Years Honours Science (including "make-up" year and "four-year Mathematics major" programs) Law Fine and Applied Arts All Nursing Library Science (other than "make-up" year) All Engineering Physical and Health Education All Food and Household Sciences All Pharmacy Physical and Occupational Therapy M. Phil. All Architecture All Forestry Other Graduates (including all specialist graduate diploma courses) All Agriculture All Hygiene and Public Health All Music - both degree and diploma WEIGHT 4 CATEGORY 7 Master's Level (and First-Year Ph.D. All Education — both elementary and secondary direct from Baccalaureate): Dental Hygiene — diploma course Psychology Geography Public Health Nursing — diploma course Engineering WEIGHT 5 **CATEGORY 4** Science Medicine All Medicine All Dentistry Agriculture All Veterinary Medicine Forestry Food and Household Science Miscellaneous Undergraduate Programs Hygiene and Public Health which do not fall into the above categories: Approved Preliminary Year Programs 0.7 Music Medical Interns and Residents 25 Nursing 3.0 Pharmacy Optometry (Years 2 - 5) Child Study Technology (Lakehead University) All undergraduate programs in the Dentistry Veterinary Medicine Faculty of Arts and Science at the Urban and Regional Planning University of Toronto, Scarborough College and Erindale College 1.24 WEIGHT 6 CATEGORY 8 All Ph.D. (except First-Year Ph.D. GRADUATE WEIGHT 2 direct from Baccalaureate) CATEGORY 5 Master's Level (and First-Year Ph.D.

direct from Baccalaureate):

## 75-VI Government Support for the University System in 1976-77

Operating Grants: Inflation, Accessibility and the University System

In this Memorandum, Council sets forth its advice on Government Support for the Ontario university system in 1976-77. Council's advice is outlined under two master headings, operating grants and capital assistance.

The Ontario University System Under Stress
The Ontario university system is in trouble. It is beset by two socio-economic circumstances over which it has little if any control. The first, inflation, poses a challenge whose severity is no less acute for universities than for governments, industries and individuals. In responding to this challenge, universities now find themselves embraced like other segments of society by the comprehensive guidelines of the recently announced anti-inflation program of the Government of Canada.

The second circumstance besetting the university system, a demand boom for its services, finds it in considerably more select company than the first. The demand boom is in the form of accelerating enrolment growth born of the age structure and choice patterns of the Canadian population, and of expectations nurtured by an acknowledged Government policy of ensuring ready accessibility to the university system.

A demand boom, however desirable its underlying policy of accessibility, and inflation, however undesirable its magnitude, are stark facts of life for the university system. The pressures generated by inflation are optimistically of a short term nature; those that stem from a policy of ready accessibility, if current choice patterns prevail, cannot be expected to ease until the Canadian population acquires a different age structure in the midnineteen eighties. In Council's view, a fundamental question before the Government and people of Ontario is whether universities will be allowed to weather the dual circumstances of price inflation and increasing demand. These are the forces that currently place the universities under stress.

In considering these forces and the evident stress they entail, it is well to emphasize a genuine constraint. This is that whatever may constitute an appropriate level of Government support in 1976-77 cannot be divorced from the existing structure and processes of the university system. To attempt such a divorce, to posit the existence all at once of a university system somehow different from the one that has been clearly stamped by the policy and direction of the Government of Ontario since the early nineteen sixties, is to fly in the face of reality.

In the longer run, the stress under which he university system now labors may well require profound change in both processes and structure. The possible dimensions of such change and their implications for the fundamental values that universities serve are questions to which Council is currently addressing tself and concerning which it proposes to nake its own contribution in its Second Annual Report.

Council fully accepts its responsibility to idvise on the long as well as the short-run nealth of the university system. Longer run considerations have already induced Council o espouse definite views in the realm of gradlate program planning and indeed to recomnend that Government funding of graduate study be insensitized to enrolment levels. Other than for such preliminary steps, however, Council and, for that matter, Governnent, have no choice but to face the issue of a evel of support in 1976-77 that posits the exstence of the university system in its present tructure and processes. It is this system, not in imaginary one, that is currently beset by he twin forces of inflation and enrolment prowth.

Council's view is that these forces lend a pecial significance to the obligations of both Sovernment and the university system. Under conomic circumstances that are trying for all egments of society, the university system las an unambiguous obligation to take exraordinary efficiency measures. Governnent, for its part, has the obligation to shouller its own responsibility for financial support hat recognizes both inflation and the special riority claims of a service whose demand noom itself reflects a long-established policy of the Government's own making. The repective obligations of Government and the iniversity system comprise a delicate balance endered all the more precarious by the force of current circumstances. For either Governnent or the university system to be less than crupulous in meeting its obligations is to inite chaos.

The above considerations weigh heavily on council as it proceeds for the first time to renler funding advice that is fully in step with the ming of Government's own budgetary decion-making process. In approaching this ask, Council has drawn a degree of sus-

tenance from an initial funding exercise that it undertook during the winter of 1975 in the wake of the Government spending announcement for 1975-76. At that time, Council took strictly as given the funding objectives that Government had enunciated for 1975-76 and estimated their cost. Council justified this step in Advisory Memorandum 74-IV. The sustenance which Council now draws is based on a retrospective examination of its methodology outlined in Appendix A of the present memorandum. This Appendix, entitled Government Objectives in 1975-76, takes account of new knowledge that the passage of time has made available with respect to university accounts and to economic and enrolment trends. Council is content to divulge the results and to leave to others the question of whether or not the exercise it undertook in the winter of 1975 warrants a passing mark. The results, for what they are worth, persist in indicating that the funding level accorded by Government to the university system in 1975-76 fell below the cost of the Government's funding objectives.

The task of costing a Government's funding objectives in any given year is important, but just as significant is the financial state of the university system whether or not the Government is meeting the cost of its enunciated funding objectives. This is because, in an autonomous university system, institutions retain a fiscal behavior pattern of their own. Among other things, this pattern can entail objectives whose nature may or may not coincide with those enunciated by Government in funding the system. That possibility has led Council to probe the current fiscal state of the university system with the aid of observations gleaned from its retrospective analysis of the exercise undertaken in Advisory Memorandum 74-IV.

The outcome is discussed in Appendix B to the present memorandum, entitled *The State of the University System*. At the budgetary level, the examination outlined in this Appendix indicates an evident tendency, under fiscal pressure, for universities to budget expenditures extremely tightly. More significant yet is the evidence that 1975-76 budgeted expenditures are partly financed by deficits and reveal a situation where universities have pursued an objective of equitable salary set-

tlements at the expense of maintaining existing levels of service. In particular, budgeted expenditures in the non-salary area lend a concrete dimension to the pressing problem that Council's hearings with universities have emphatically brought to its attention: deteriorating library budgets, deficient plant maintenance, non-replacement of obsolete furniture and equipment—in brief, a state of capital consumption.

The above constitute telling symptoms of a university system under stress. It is in this further unhappy light that Council must proceed to develop what might constitute reasonable Government funding objectives for 1976-77.

### Basic Funding Objectives for 1976-77

The logical starting point in developing possible Government objectives in funding the university system for 1976-77 appears to Council to be the objectives enunciated for 1975-76. These objectives were devised by Government before Council had developed an advisory capacity and were enunciated in the Government's own words. They were "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases." The three objectives are straightforward and readily understood. They offer the further advantage that their cost can be estimated. Council views this advantage as one of singular importance in that it enhances the quality of the information on which Government bases its funding decisions and provides the university system with a means of understanding the fairness and adequacy of those decisions.

In developing its advice for 1976-77, Council believes that it could not improve upon the formulation of the first 1975-76 objective, namely "to offset inflationary trends." The importance of this objective is heavily underlined by Government's commitment that tuition fees are once again to remain unchanged in 1976-77. The result leaves universities entirely at the mercy of their funding Government. Accordingly, an adequate offset to inflationary trends appears to Council to be an essential, indeed the most essential funding objective that Government could adopt.

The Government's second objective in funding the university system for 1975-76, "to maintain or improve existing levels of service," was taken by Council in Advisory Memorandum 74-IV to mean the following: "the objective takes dead aim on maintaining existing service levels and, if there is any erro at the margin, that error should be in the direction of improvement." As conservatively interpreted by Council, the wording of the objective basically leaves the matter of an improvement in service levels to the universities own devices. This is surely not unreasonable in a setting where universities, like other segments of society, must grapple with the unhappy economic realities of the moment.

Council has considered at length whether the starkness of these realities is not such as to warrant yet additional emphasis. In a Government funding objective, the words "to maintain or improve" hold out the hope, however slim, that the support level accorded to the university system may be sufficient to permit improvements that are not solely the result of painful stock-taking within universities themselves. Furthermore, these words create the impression that the margin of error in Government funding will indeed lie in the direction of improvement. In the wake of Council's assessment of the state of the university system in 1975-76, there appears to be no basis from which to foster such expectations In deference to reality, Council concludes that present circumstances warrant a Government funding objective for the university system in 1976-77 that is enunciated simply as follows: "to maintain existing levels of service."

The Government's final 1975-76 funding objective, "to accommodate predicted enrolment increases," can be taken as its bona fide to the people of Ontario that the university system would be permitted to continue to honour the claims of the Government's longstanding policy whereby that system is intended to be readily accessible. Viewing this objective as a matter of Government credibility. Council feels bound to advise that it be respected in 1976-77. Council believes, however, that the wording of the objective can be clarified so as to convey more exactly the content of Government's accessibility policy. Given the imposition of embargoes in 1970, this policy has not been one of unrestricted accessibility to graduate programs. Nor, given manpower planning in the field of

nealth or the general capital moratorium of 1972, has this policy been one of granting open access to professional or specialized orograms. What conveys to Council the pith and substance of Government's accessibility policy is a clear intention to sustain accessibility at the undergraduate level, not necessarily in the program or university of the candidate's own choosing, but in some undergraduate program, somewhere in the system. As Government's bona fide that this policy will be honoured in 1976-77, the appropriate wording is "to accommodate predicted enrolment increases at the undergraduate evel."

In the Introduction to its First Annual Report, Council observed that the funding obectives enunciated by Government for 1975-76 were "indeed worthy and warrant serious ong-term pursuit if Ontario's major inrestment in higher education is to be proteced." The development of yet other funding objectives will be necessary to protect that inrestment and indeed to permit it to flourish. But given the currently stringent state of the economy, Council deems it sufficient for Government to adopt as basic funding objectives or 1976-77 a threefold formulation which departs from the enunciation of a year ago only n clarifying the severity of the constraints under which both Government and the university system labour at the present time. The envisaged funding objectives are basic in every sense of the word. They are minimal; hey are understandable; their cost is estinable. Council accordingly recommends to he Minister and the Lieutenant Governor in Council:

### OCUA 75-10

Jasic Government Objectives in Funding the Operation of the University System in 1976-77 That the Government adopt and enunciate the following as its basic objectives in funding the operation of the university system in 1976-77: "to offset inflationary trends, to maintain existing levels of service and to accommodate oredicted enrolment increases at the undergraduate level."

### A Supplementary Funding Objective for 1976-77

The basic funding objectives recommended

for 1976-77 do indeed underline the constraints under which both Government and the university system must operate for the present. The question that arises from Council's intensive experience in probing the university system during the last year is whether these basic objectives take sufficient account of the current state of the university system. A set of funding objectives for any given year should not ignore conditions wrought by the immediate past. In that basic objectives have been recommended with respect to a university system, the state of the system to whose sustenance they apply is a matter of concern.

The sum total of Council's analyses, hearings and discussions during the last year does not amount to a firm, documented and quantified verdict on the current state of the university system. But what Council deems most significant is that the thrust of all the evidence, however impressionistic or fragmentary some of its components may be, points to a system that is, in the opening words of this memorandum, "in trouble." First, there is a widespread appearance of deficits in financing the expenditure level budgeted by universities for 1975-76. Second, there is continuing evidence, for what it is worth, that Government funding of the university system in that year failed to meet the cost of the Government's own objectives. Third, it seems clear that inflationary pressures, decidedly accentuated by the magnitude of salary settlements in the public sector, forced universities in 1975-76 to engage in capital consumption as a means of financing compensation levels. Meantime, faculty and staff morale offered no sign of improvement as a result of the compensation levels that were attained. Indeed, what has come to the fore is the more acute question of the satisfactory nature of employment conditions generally. This question may be provoked in part by deterioration in the working environment occasioned by the degree of capital consumption which financed the compensation levels attained. More generally it may be aggravated by an overall atmosphere of fiscal instability of which capital consumption is an important symptom.

Council's conclusion is that the university system to which basic funding objectives will apply in 1976-77 is in a fiscal state that is

sufficiently precarious to warrant special recognition by Government. A supplementary funding objective should accordingly be adopted in support of the basic objectives that Government wishes to pursue. Council therefore recommends to the Minister and the Lieutenant Governor in Council:

### OCUA 75-11

Supplementary Government Objective in Funding the Operation of the University System in 1976-77

That the Government adopt and enunciate the following objective in support of its basic objectives in funding the operation of the university system in 1976-77: "to recognize the need for financial viability in the university system."

### Costing the Basic Funding Objectives Recommended for 1976-77

The approach which Council took in costing Government's funding objectives for 1975-76 is summarized in Appendix A of this memorandum and was outlined in detail in Advisory Memorandum 74-IV. In costing the basic objectives it has recommended to Government for 1976-77, Council has retained the spirit of its original approach while making a number of important modifications. These modifications have been adopted both in the light of Council's additional experience and in the wake of the changed environment generated by the anti-inflation program of the Government of Canada. They receive particular attention in Council's presentation of its 1976-77 costing exercise.

The components of this exercise are displayed in the seven columns of Table I. This Table incorporates the same threefold division of university outlays featured in Advisory Memorandum 74-IV, namely salaries, fringe benefits and non-salary expenditures.

### Column 1: The 1975-76 Base

The starting point is the 1975-76 base to which Council's cost calculations are applied. The figures in Column 1 are the end product of a careful staff analysis of the 1975-76 Committee of Finance Officers of the Universities of Ontario preliminary budget submissions, augmented by budgeted expenditures reported directly to Council by Ryerson, the

The Cost of the Basic Funding Objectives Recommended for 1976-77:	Provincially Assisted Universities, Ryerson and OISE (\$ millions)
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unding (	niversitie
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e Cost of ti	Provincially Assisted Universiti
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	-	2	ന	4	5	9	7
			Existing		Predicted	Excess	Cost Of
		Inflationary	Level	Efficiency	Enrolment	Capacity	Basic
		Trend Cost	Cost	Factor	Costs	Factor	Objectives
	1975-76	1976-77	1976-77	(Negative)	1976-77	(Negative)	1976-77
alaries <sup>(1)</sup>	534.0	46.0	10.5	- 8.1	22.4	-11.2	593.6
ringe Benefits	52.2	4.2	1.1	6.0 -	2.4	- 1.2	57.8
Non-Salary	151.8	10.6	4.1	- 2.5	7.0	- 3.5	167.5
FOTAL	738.0	60.8	15.7	-11.5	31.8	-15.9	818.9

and the common university appointment year (July-June). A similar adjustment is not made for support staff salaries because the (1)The academic portion of salary costs is adjusted to recognize the two-month discrepancy between the university fiscal year (May-April) salary adjustments for such staff vary widely among different employee groups and different institutions effective dates of

Table

Ontario Institute for Studies in Education and the church-related colleges for programs other than theology. The incorporation of church-related colleges into Council's base is a refinement of its original exercise and has been accomplished with close attention to the need to avoid any double counting between the budgeted expenditures of these colleges and those of the universities with which they are affiliated. Council has considered whether a special downward adjustment to its 1975-76 base might be warranted because of the alleged tendency for actual university expenditures to drop below the budgeted level in the course of the fiscal year. An analysis of the fiscal-year behavior of university accounts presented in Appendix B of this memorandum has led Council to conclude that such an adjustment is unwarranted. This analysis indicates that university expenditures may at present be remarkably resistant to reduction in the course of the fiscal year, and that the more likely source of fiscalyear change is to be found in the revenue portion of university accounts.

Column 2: Inflationary Trend Costs It is in costing its recommended objective "to offset inflationary trends" that Council has had to weigh most seriously the environmental change created by the antiinflationary program of the Government of Canada. The avowed aim of this program is precisely to bring current inflationary trends under control. In costing its inflationary trend objective, Council considered the option of adhering to the course it followed in Advisory Memorandum 74-IV. This is to cost the objective with reference to whatever existing trends can be discerned from a careful examination of well known and widely accepted economic indicators.

Council's view of its role as an advisory body vested with a responsibility for the public interest has caused it to reject this option. The anti-inflationary program of the Government of Canada asserts the control of inflation as the over-riding goal for the nation as a whole. This goal clearly will not be served if an objective of offsetting inflationary trends is costed with reference to the very trends that the nation seeks to control. Therefore, Council has chosen to calculate the cost of

offsetting inflationary trends for 1976-77 by referring to the targets that the anti-inflationary program seeks to achieve rather than to current economic indicators. Council takes the "basic protection factors" of the federal compensation guidelines as indicative of these targets. Since the overwhelming majority of university salary settlements for the fiscal year 1976-77 will fall within a period in which the basic protection factor allows cost of living increases of 8 per cent, Council has applied this percentage in calculating the cost of offsetting inflationary trends with respect to salaries and fringe benefits.

Non-salary items offer a slightly different situation in that increased costs attributable to inflation are relatively evenly distributed throughout the fiscal year. Council again has recourse to the federal "basic protection factors" as its proxy for rising prices, but notes that the university fiscal year of 1976-77 embraces a time span that falls partly under a factor of 8 per cent, and partly under one of 6 per cent. Council has accordingly calculated the cost of offsetting inflationary trends in the non-salary area by applying a factor of 7 per cent.

Column 3: Existing Service Level Costs In calculating the cost of its recommended objective "to maintain existing levels of service," Council has departed only marginally from the exercise it undertook in Advisory Memorandum 74-IV. In that memorandum, Council associated the maintenance of service levels with two major sources of real costs in the university system. These were progression through the ranks or toward the job rate in the salary area, and allowance for furniture and equipment replacement in the non-salary area. Provision was made for each at a level of 2.5 per cent. For the purpose of the present exercise, Council has again applied the cost factor of 2.5 per cent in the nonsalary area.

The question of whether the same percentage is an appropriate proxy for the net cost of salary progression occasioned comment and discussion in the course of Council's spring hearings, and staff study during the summer months. The resulting evidence supports a percentage of 2.5 in a context where the margin of error, pursuant to Coun-

cil's interpretation of the Government's 1975-76 objective "to maintain or improve existing levels of service," lies if anywhere in the direction of improvement. In the context of a recommended objective which would seek in 1976-77 "to maintain existing levels of service," Council accepts the consequence that the allowable margin of error can lie in either direction. This has led Council, after reviewing the evidence yielded by its hearings and studies, to select 2 per cent as the most likely proxy for the net cost of progress through the ranks or toward the job rate in 1976-77.

Before actually applying this percentage to its calculation of the cost of the basic funding objectives recommended to Government for 1976-77, Council considered at length a distinct uncertainty that has emerged from the early public discussions of the federal antiinflation guidelines. This involves the guestion of whether or not these guidelines encompass compensation for salary steps or merit or promotion within established classification schemes. Council has no reason to believe that the resolution of this question will be easy and automatic. Thus, for example, the inclusion of salary steps within the guidelines coupled with the exclusion of promotion could prompt the refined question of the extent to which "merit" is a proxy for steps or promotion. Furthermore, and of major importance, even a once-and-for all resolution of what the guidelines encompass with respect to career advancement would not resolve other questions that the anti-inflation guidelines provoke. Thus, for instance, there is the basic question of what effect the compensation history of any given group of employees may have on the maximum percentage increase to which it is entitled.

The end result of Council's discussion of what are in fact a host of uncertainties has been to have recourse to basic principle. Council's duty is to recommend to Government an appropriate level of funding for the university system in 1976-77 and Government's role in turn is to decide on that level of funding. It is in the public interest that the advice and decision respect the over-riding national goal encompassed by the federal anti-inflation guidelines while making adequate provision for university needs under these guidelines. It is also in the public interest that

the advice and decision should seek a ground of clarity rather than wallow in a sea of uncertainty.

Accordingly, Council notes that in calculating the cost of offsetting inflationary trends it applied the 8 per cent basic protection factor as its proxy for inflation without regard to the uncertainties that stem from what the guidelines permit either for national productivity gains or a particular employee group's compensation history. In calculating the cost of maintaining levels of service, the consistent approach is to allow 2 per cent for the net cost of career progression without regard to uncertainties about steps, merit or promotion. The funding objectives and the percentages are clear. Council's judgement is that they contribute to an increase in university revenue that is likely to enable the recipient institutions to live within the guidelines as eventually interpreted.

Column 4: Efficiency Factor

The crudest part of the initial costing exercise undertaken by Council in Advisory Memorandum 74-IV was its application of a 2.4 per cent discount to the cost of meeting the Government's objectives. This number was picked with reference to the target set by the Economic Council of Canada as the desirable level of annual productivity gains for the economy as a whole. That target has been anything but achieved in the performance of a national economy whose recent record is one of near-zero productivity gains. A more significant shortcoming is that the same target is acknowledged by experts as lying beyond the reach of service "industries" like governments and universities. Council chose to impose this measure of "productivity gain" on the university system because, in its own judgement at the time, extraordinary deference should be accorded to "Government's repeated exhortation that universities deploy their resources more effectively and efficiently."

Government's "repeated exhortation" has lost none of its strength and its legitimacy is, if anything, accentuated under prevailing economic circumstances. Not least for this reason, Council has given considerable thought to clarifying the expectations that can legitimately be harbored by Government and the public with respect to the capacity of

he university system to deploy its resources effectively and efficiently. It appears to Council that these expectations can acquire clearer ocus if a distinction is drawn between "productivity gains" that should lie within the reach of all institutions, including those in steady state, and those that can be realized to he extent that enrolment increases materialize in those parts of the university system in which excess capacity still exists. Council chooses to link the first type of gain to what it

vill call an "efficiency factor."

The development of Council's thinking with espect to its efficiency factor drew considrable impetus from its spring hearing with he University of Western Ontario. The financial presentation in that University's brief nade the following observation: "The naional average increase in productivity of 2.4 per cent suggested by the Economic Council of Canada would appear to be too high for a abour-intensive service institution. However, ome increase in productivity should be expected and we have used a 1 per cent factor or this purpose." With this significant obseration, the University of Western Ontario oined Council in attributing a quantified leitimacy to expectations that universities can ndeed deploy their resources more effecively. An additional point, not lost on Counil, is that Western is a university whose enolment is approaching steady state.

Council's system-wide estimates of the osts of offsetting inflationary trends and naintaining levels of service make no allow-ince for enrolment increases and are accordingly representative of steady state costs. They therefore constitute the base to which council's efficiency factor discount is appliable. Council has no reason to question the general validity of the 1 per cent level sugjested by the University of Western Ontario. But given the clear economic priorities that have crystallized since its spring hearings, council has chosen for 1976-77 to apply its efficiency factor at a level of 1.5 per cent.

Column 5: Predicted Enrolment Costs
As Council observed in Advisory Memoandum 74-IV, the main ambiguity that surounds an objective of accommodating predicted enrolment increases lies in the

reliability of the enrolment prediction, whether made by Government or the universities. In Appendix A of the present memorandum, Council's retrospective analysis of its initial funding exercise indicates that even the prediction of 4.3 per cent enrolment growth made for 1975-76 by the Ministry of Colleges and Universities was overly conservative. Council's own prediction of 3 per cent, to say nothing of the universities' 1.6 per cent, was a considerable underestimate.

Council's present exercise is complicated by the fact that it takes place at an earlier time of the academic year than its initial foray. Thus no prediction has the benefit of being based on a final 1975-76 count. A further complication is that the objective that Council recommends for 1976-77 is "to accommodate predicted enrolment increases at the under-

graduate level."

In the circumstances, Council has had recourse to the observations of Ministry officials and, bearing in mind the more restricted compass of its 1976-77 objective, has made its own prediction, whose status must be hedged by the current climate of economic uncertainty. This is that undergraduate enrolment in 1976-77 will increase by 5.3 per cent. In estimating the gross cost of this level of enrolment increase Council applies the factor of 5.3 per cent to the 80 per cent of system-wide expenditures that relate to undergraduate programs.

Column 6: Excess Capacity Factor The figures in Column 5 assume that undergraduate enrolment increases are accommodated at a marginal cost that is equal to average cost. But the existence of excess capacity in some parts of the university system would clearly undermine the validity of this assumption, and produce an opportunity for further "productivity gains" in the system as a whole. Council is currently probing the existence of excess capacity in the system both because of its implications for future capital support and because of the light it sheds on problems associated with extra-formula grants. Council's probe remains far from complete, but the initial results yield plausible evidence to the effect that currently predicted undergraduate enrolment increases can be accommodated within the university system at a marginal cost that does not exceed 50 per cent of average cost. This percentage accordingly becomes the excess capacity factor that Council applies to the cost tabulated in Column 5, and results in the discount figures exhibited in Column 6.

Column 7: Cost of Basic Objectives
The final column of Table I simply adds to
Column 1 the sum of the calculations subsumed in Columns 2 through 6. The grand
total of \$818.9 million represents Council's
best estimate of the cost of the basic objectives it has recommended to Government in
funding the provincially-assisted universities,
Ryerson and the Ontario Institute for Studies
in Education in 1976-77.

The Cost to Government of Council's Basic Funding Objectives

The cost to Government of the basic funding objectives recommended by Council is derived from the estimated total cost of these objectives by subtracting from that total estimated university income in 1976-77 from tuition fees and other revenues. The latter item includes certain line budget and special Government grants whose level is currently excluded from Council's advisory mandate.

Given the Government's commitment that tuition fees are to remain unchanged in 1976-77, the task of forecasting fee income for that year is simply a matter of augmenting 1975-76 fee revenue by the percentage of predicted enrolment increase. In Table II, Council records forecast fee income of \$122.5 million, which is its Appendix B estimate of current fee income of \$116.9 million adjusted for Council's predicted undergraduate enrolment increase for 1976-77 of 5.3 per cent.

In the matter of forecasting other revenues, Council again has recourse to Appendix B. In a setting where the university system currently indicates a budgeted deficit of \$16.1 million, and where budgeted expenditures appear resistant to downward revision, this Appendix indicates that the most likely source of deficit reduction during 1975-76 will stem from an increase in other revenue that is estimated in Table B-4. The relief would flow partly from higher than forecast tuition fee and interest income, but mostly from line

#### Table II

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The Cost to Government of the Basic Funding Objectives Recommended for 1976-77: Provincially Assisted Universities, Ryerson and OISE

	(\$million)
Cost of Basic Funding Objectives	
Table I column 7)	818.9
Deduct: Tuition and Other Fees	-122.5
Other Revenue, including line	
budget and Government Grants	- 70.6
Cost to Government of Basic Funding	

625.8

Cost to Government of Basic Funding Objectives

budget and special grants from the Ministry of Colleges and Universities not yet traced to university accounts. In the event that Council's estimate of final 1975-76 other revenues is correct, the university system's deficit in that year might be as low as \$7 million. This revenue estimate is generous but Council deems its generosity a proxy for whatever marginal expenditure reductions might be effected in the face of year-end deficits that are more substantial than \$7 million.

Council's base for forecasting other revenue in 1976-77 is its generous estimate of \$64.2 million for 1975-76. Against the likelihood in 1976-77 of higher line budget and special Ministry grants, Council must weigh a possible decline during that year in short term interest rates to the extent that the federal anti-inflation guidelines take hold. Council has accordingly recorded other revenues in Table II of \$70.6 million, 10 per cent higher than its 1975-76 estimate. The subtraction of Council's forecast tuition and other revenues from the estimated cost of its basic objectives yields a cost to Government of \$625.8 million.

### Recommended Government Expenditure Levels for 1976-77

The expenditure levels that Council recommends to Government for the purpose of funding the operation of the university system in 1976-77 are divided into three components. The first relates to the basic objectives recommended to Government with respect to the provincially-assisted universities, Ryerson

and the Ontario Institute for Studies in Education. The second is in recognition of Council's supplementary funding objective whereby Government would contribute to financial stability in the university system. The third is to take account of special institutions and policy matters.

Basic Funding Objectives

The cost to Government of Council's basic funding objectives with respect to the provincially-assisted universities, Ryerson and the Ontario Institute for Studies in Education is \$625.8 million against the corresponding 1975-76 expenditure level of \$549.9 million. Council recommends to the Minister and the Lieutenant Governor in Council:

### OCUA 75-12

Expenditure Level for 1976-77 to Meet the Cost of Basic Objectives in Funding the Operation of the Provincially-Assisted Universities, Ryerson and the Ontario Institute for Studies in Education

That the 1975-76 Government expenditures of \$549.9 million on behalf of operating costs in the provincially-assisted universities, Ryerson and the Ontario Institute for Studies in Education be increased for 1976-77 to a level of \$625.8 million.

Supplementary Funding Objective Council's rationale for a supplementary funding objective has been outlined in the text of this memorandum and is sustained by the analyses of its two appendices. Since the recommended objective is meant to recognize the need for financial viability in the university system, its cost is not subject to calculation. In recommending the extent of recognition that Government should consider for 1976-77, Council has accorded substantial weight to the prevailing climate of economic constraint. Council is quite content that the appropriate expenditure level pursuant to its supplementary funding objective be a matter of Council's own credibility, a credibility that Council pledges itself to test in its future retrospective analyses of the state of the university system. Council recommends to the Minister and the Lieutenant Governor in Council:

### OCUA 75-13

Expenditure Level to Subscribe to Financial Viability in the University System That there be provision for a 1976-77 expenditure level of \$8 million to recognize the need for financial viability in the university system.

Special Institutions and Policy Matters Government expenditures on behalf of the university system in 1976-77 must take into account two special institutions concerning which Council has advisory responsibilities, namely the Ontario College of Art and the Bar Admission Course of the Law Society of Upper Canada. They must also be sufficient to accommodate the cost of Government's acceptance during the past year of the recommendation of the Committee on University Affairs with respect to full formula funding of theology programmes. To the expenditures incurred for these established purposes Council wishes to add provision for two items of enrichment. The first is in respect of the new policy of Northern Ontario grants adopted by Government on Council's recommendation in 1975-76. The second involves a possible interim adjustment in bilingualism

In recommending a policy of Northern Ontario grants to the Government in Advisory Memorandum 74-III, Council clearly indicated that the initial level of these grants should be "without prejudice to such higher levels of support as special study might justify in 1976-77 and beyond." As for bilingualism grants, Council notes with gratitude that the Advisory Committee on Franco-Ontarian Affairs has been willing to assume for the time being a lead role in their rationalization. Government's spending estimates should allow for the possibility of a marginal interim enrichment if one is recommended.

Council has no wish to prejudge the exact amounts that might eventually be allocated in 1976-77 under the heading of special institutions and policy matters. It has therefore not ventured beyond an aggregated estimate of the expenditures that might be involved. This estimate covers possible commitments of up to \$9 million. Council recommends to the Minister and the Lieutenant Governor in Council:

#### OCUA 75-14

Expenditure Level For 1976-77 on Behalf of Special Institutions and Policy Matters That there be provision for a 1976-77 expenditure level of up to \$9 million on behalf of special institutions and policy matters.

Closing Observations on Operating Support for the University System

Having made its recommendations, Council wishes to make three closing observations with respect to the 1976-77 level of operating support for the university system. The first is addressed primarily to Government, the second primarily to the university community and the third to both parties equally:

(1) Council is fully aware of the avowed aim of the Government of Ontario to restrict public expenditures in the current economic climate. Council has calculated in Table III the percentage increases that its recommended expenditure levels entail with respect to its basic and supplementary funding objectives. (A percentage calculation with respect to special institutions and policy matters is not made, since its appropriate base includes current theology funding together with all Ministry line budget and special grants, some of which are currently outside Council's terms of reference.) Even the cumulative increase in Table III of 15.3 per cent is below the 16.9 per cent increase that Government accorded for the operating support of the university system in 1975-76. Furthermore, Council notes pointedly that the percentage increases entailed in its 1976-77 recommendations are occasioned by Government's commitment that tuition fees are to retain their present level in 1976-77. In that students are accordingly exempted

from the costs occasioned by inflation, Government has chosen to carry this burden on its own. Had tuition fees been left to reflect inflationary trends, Council observes that the two expenditure levels recommended in pursuit of its basic and supplementary funding objectives would have entailed increases in public expenditures of 12.0 and 13.5 per cent rather than 13.8 and 15.3 per cent respectively. Council views the difference between these sets of percentages, which represents \$9.8 million, as the cost to Government of its tuition fee commitment.

- (2) Council is abundantly aware of the extent to which the basic funding levels it has recommended for 1976-77 make no allowance for improvement. Thus, to take an important example, Council has made no claim on Government with respect to the allegedly increased cost of any of a number of professional programs on whose behalf the university community has advanced representations for higher formula weights. More generally, Council has taken the specific view that for the time being, the funding of improvements, must be a matter of painful stock-taking within universities themselves. For whatever comfort it may yield to the university community, Council accepts that the same view is applicable to its own position vis-à-vis formula revision. The search for greater equity in formula distribution is one in which painful stock-taking becomes Council's own lot.
- (3) Council must amplify the warning note on which it closed its discussion of operating support in Advisory Memorandum 74-IV. The costing exercise that is central to its funding recommendations is confined to stipulated

Table III

Recommended Government Expenditure Levels, 1976-77 (\$ millions)

	1975-76	1976-77	Increase	Cumulative Per Cent Increase
Basic Operation of Provincially Assisted Universities, Ryerson and OISE	549.9	625.8	75.9	13.8
Recognition of the Need for Financial Viability in the University System		8.0	8.0	15.3

### Capital Assistance: In Search of a Policy

objectives and makes no allowance for other objectives that the university system might pursue whether by choice or force of circumstance. That same exercise in 1976-77 is further confined by the fact that Council has paid full obeisance to the over-riding national goal subsumed under the anti-inflationary program of the Government of Canada. The actual effectiveness of the program itself, however, is anything but guaranteed. Should the program fail to have its intended impact on the economy as a whole, the consequences for the health of the university system may be drastic. Neither the Government nor the people of Ontario should be blind to this possibility in the course of the year that lies ahead.

### The Need for a Policy

Not only does a state of near moratorium obtain with respect to capital grants; it seemingly characterizes the very condition of government-university relations in the capital area at present. Indeed, the existing moratorium on capital grants apparently influences government-university relations in the very sense in which the word "moratorium" connotes a legally sanctioned period of waiting. What are Government and the university community waiting for?

The above words prefaced Council's discussion of capital assistance in Advisory Memorandum 74-IV, wherein the then newlyappointed body conveyed its first thoughts on the subject. The passage of time has impressed upon Council the rudimentary state of its own knowledge when it divulged its initial reflections. In Advisory Memorandum 74-IV, Council spoke of "an immediate need for enunciated Government objectives in capital assistance." The enunciation of such objectives, it was thought, would serve to clarify university expectations, to guide Government in determining annual funding levels, and to assist the Ministry of Colleges and Universities in promoting an equitable distribution of available resources among institutions.

While Council remains convinced of the need for enunciated objectives, it has gradually learned that the immediacy of this need is secondary to the prior development of a basic Government policy in the realm of capital. Drawing assistance from the accumulated knowledge of Ministry officials, Council has concluded that a quest for objectives will be fruitless unless the very basis for Government capital assistance to the university system is searchingly re-examined. Policy in the capital realm was originally one of ad hoc government grants for selected building projects underwritten by private funding. Successive mutations brought to fruition a policy of fullfledged public support geared to a formula that indicated the formal "entitlements" of individual institutions. This policy was temporarily suspended by the imposition of the near-moratorium in 1972. But the intervening years have exceeded the bounds of the temporary, and generated what Council deems to be a policy vacuum.

It is in this light that Council has formulated an answer to its earlier rhetorical question: "What are Government and the university community waiting for?" They are waiting for advice on what might constitute sound Government policy in capital assistance for the next decade and perhaps for the balance of this century. Given its terms of reference, Council's obligation to provide such advice is unambiguous. The importance and complexity of the task preclude even preliminary discussion in a memorandum that seeks to advise on funding levels for the fiscal year that next ensues. It must suffice for Council to stipulate that it is now actively considering the possible elements of what might become a new policy in the capital realm, and that it will proceed to unveil these elements next winter in the Introduction to its Second Annual Report. This procedure will permit wide consultation with the university community during Council's next round of hearings as a necessary prelude to formal advice that Council will subsequently endeavor to convey in time for the fiscal year 1977-78. Such advice must take dead aim on a new policy and on the transition thereto.

Cyclic Renewal in an Interim Setting

Council has already made the importance it attaches to cyclic renewal a matter of record. But the question of Government assistance for major maintenance and renovation of physical plant cannot be divorced either from policy in the capital realm or the absence thereof. Council itself fell prey to existing uncertainties when it tendered its advice to Government on what might constitute an adequate level of support for cyclic renewal in 1975-76. Without descending into the realm of detail, Council reports simply that its deliberations at the time assigned to certain variables drawn from the interim capital formula a validity that subsequent examination has not borne out. Fortunately Council did not formulate its advice with primary reference to these variables but had recourse as its major measure of need to the cyclic renewal requests that the Ministry of Colleges and Universities had been forced to reject through lack of funds in 1974-75. The end result was a recommendation—accepted by Government—in which Council's confidence remains unshaken.

But in formulating its position on cyclic renewal in 1976-77, Council must in conscience disassociate its advice from the formula components to which it alluded a year ago. The

application of these or other formula components to the question of an adequate Government funding level for cyclic renewal must await policy development in the capital realm as a whole. In the meantime, the only responsible option before Council is to take the figure of \$11 million generated for new cyclic renewal projects in 1975-76 as an interim plateau from which to recommend a level of assistance for 1976-77. In deference to inflationary trends under the guidelines of the federal anti-inflationary program, Council deems the appropriate adjustment to be the identical 7 per cent that it applied to the nonsalary area of university system operating expenditures. Accordingly, Council recommends to the Minister and the Lieutenant Governor in Council:

OCUA 74-15

Level of Support for Cyclic Renewal in 1976-7 That funds for new cyclic renewal projects in 1976-77 be \$11.8 million.

### **Administrative Processes**

Council is pleased to conclude this memorandum by reporting what it deems to be substantial progress with respect to the administrative processes whereby capital projects, particularly those of a cyclic-renewal nature, are approved for funding. The Ministry of Colleges and Universities had already initiated a review of its procedures at the time Council's recommendation for a study of internal administrative processes was accepted (OCUA 74-14). Of key importance to Council as an aftermath of this study is the fact that the allegedly cumbersome three-stage approval procedure can now in fact be readily telescoped into a single step. At the same time, the sequential three-stage procedure remains available to universities that wish to use it, and Council is satisfied that it is in the interest of the institutions that this option remain available. More generally, Council appreciates a state of genuine progress in the realm of administrative processes, and exhorts both the Ministry and the individual institutions to ensure that administrative improvements are communicated and understood.

J. S. Dupré Chairman November 7, 1975

### Appendices to Advisory Memorandum 75-VI

Appendix 'A': Government Objectives in 1975-76

On November 18, 1974, the Minister of Colleges and Universities enunciated the following as the Government's objectives in funding the university system for 1975-76: "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases." These objectives were enunciated in the context of an announced Government spending target for the year in question. In Advisory Memorandum 74-IV, submitted to the Minister and the Lieutenant Governor in Council on February 8, 1975, Council expressed the considered opinion that the level of the announced spending target fell \$16.2 million short of its best estimate of the cost of meeting the Government's objectives. While Government chose to make no increase in its spending level, it did not repudiate its objectives.

Council has retained a strong interest in the adequacy of Government support for the university system given the funding objectives formulated in 1975-76. This is not only because of Council's sense of responsibility toward the system that comprises its terms of reference; it is also because of Council's curiosity about the soundness of the exercise it undertook in costing the Government's funding objectives. Such an exercise, given its call on short-term forecasting, is intrinsically beset by uncertainty. Furthermore, as executed by Council in the winter of 1975, it was the product of a body whose corporate experience, some four months after its appointment, was somewhat less than aweinspiring.

Council reproduces its initial exercise in Table A-1. The base on which Council costed the Government's objectives consisted of the 1974-75 budgeted expenditures of the fifteen provincially assisted universities as reported by the Committee of Finance Officers of the Universities of Ontario, augmented by budget figures submitted directly to Council by the Ryerson Polytechnical Institute and the Ontario Institute for Studies in Education. Given the Government's objective, "to offset inflationary trends", university expenditures in 1974-75 were escalated with reference to well known and widely accepted price indicators as reported by Statistics Canada and forecast by competent authorities. In particular, an increase of 11 per cent was applied in the salary and fringe benefit area with reference to the Consumer Price Index, and a careful scanning of the Wholesale Price Index yielded an escalation of 16 per cent for non-salary items.

As to the Government's objective "to maintain or improve existing levels of service," reference was first made to certain real costs (progression through the ranks or toward the job rate in the salary area; allowance for furniture and equipment replacement in the nonsalary area) that universities would have to bear even in the absence of inflation or enrolment increases. These costs were allowed at a level of 2.5 per cent. At this juncture, the Government's objective "to accommodate"

predicted enrolment increases" was taken to join its service objective in that the additiona enrolment must be accommodated without prejudice to the prevailing level of service. A conservative prediction of enrolment increas was chosen, namely the mid-way point between that forecast by the universities (1.6 pe cent) and the Ministry of Colleges and Univer sities (4.3 per cent). Thereupon a sweeping discount of 2.4 per cent was applied to the whole of the cost of maintaining or improving levels of service and accommodating predicted enrolment increases. The end result was the application of 3 per cent, corrected for price changes, as the cost of the service maintenance and enrolment accommodation objectives.1

Table A-1 Council's Exercise in Advisory Memorandum 74-IV

The Cost of Meeting the Government's	Objectives in	1975-76: Provincially	Assisted Universities,
Ryerson & OISE - (\$ millions)		_	

	1974-75	Inflationary Trend Costs 1975-76	Existing Service Levels and Predicted Enrolment Costs	Total Estimated Cost 1975-76
Salaries	453.4	49.9	15.1	518.4
Fringe Benefits	43.3	4.8	1.4	49.5
Non-Salary	138.3	22.1	4.8	165.2
Total	635.0	76.8	21.3	733.1

### University System Revenues Under the Government's Expenditure Target for 1975-76 - (\$ millions)

	1974-75	Increase in Revenue in 1975-76	1975-76
Formula Grants	465.8	72.5	538.3
Non-Formula Grants	9.7	.7	10.4
Contingency	.0	1.1	1.1
Other Revenue	53.5	5.4	58.9
Tuition & Other Fees	105.0	3.2	108.2
Total	634.0	82.9	716.9

### The Cost-Target Gap, 1975-76 - (\$ millions)

Cost of Meeting Government's Objectives
Revenues under Government's Target Expenditure
Cost-Target Gap

733.1 716.9 16.2

<sup>&</sup>lt;sup>1</sup> For details of Council's reasoning and analysis, see Ontario Council on University Affairs, First Annual Report, pp. 23-27.

The expenditure-based exercise described above yielded the figure of \$733.1 million shown in Table A-1 as Council's best estimate of meeting the cost of the the Government's objectives in 1975-76. Against this amount Council tallied known income available in the form of formula, non-formula and contingency grants generated by the spending target for 1975-76, together with an estimate, based on 1974-75 institutional budgets, of tuition fee and other revenues. The tuition fee

portion of the exercise involved an adjustment limited to enrolment growth in deference to the Government's explicit 1975-76 guideline "that there will be no increase in students' tuition fees." The resulting total revenue of \$716.9 million, subtracted from the \$733.1 estimated cost of the Government's objectives, yielded what Council chose to call the "cost-target gap" of \$16.2 million.

In reviewing the exercise it undertook last winter, Council's first concern has been with

Table A-2
Table A-1 Revised to Incorporate Actual 1974-75 Expenditures and Revenues

The Cost of Meeting the Government's Objectives in 1975-76: Provincially Assisted Universities, Ryerson & OISE - (\$ millions)

	1974-75	Inflationary Trend Costs 1975-76	Existing Service Levels and Predicted Enrolment Costs	Total Estimated Cost 1975-76
Salaries	460.8	50.7	15.3	526.8
Fringe Benefits	45.0	5.0	1.5	51.5
Non-Salary	138.8	22.2	4.8	165.8
Total	644.6	77.9	21.6	744.1

University System Revenues Under the Government's Expenditure Target for 1975-76 - (\$ millions)

	1974-75	Increase in Revenue in 1975-76	1975-76
	463.4 <sup>(1)</sup>	74.9 <sup>(2)</sup>	500.0
Formula Grants	463.4	74.9	538.3
Non-Formula Grants	9.6	0.7	10.3
Contingency	0.0	0.0	0.0
Other Revenue	57.1	5.7	62.8
Tuition & Other Fees	111.2	3.3 84.6	114.5
Total	641.3	84.6	725.9

The Cost-Target Gap, 1975-76 - (\$ millions)	
Cost of Meeting Government's Objectives	744.1
Revenues under Government's Target Expenditure	725.9
Cost-Target Gap	18.2

<sup>1)</sup> Table A-1 revenue of \$465.8 million minus \$0.9 million in theology grants minus \$1.5 million in Ryerson formula grants (attributable to a weight change approved in 1974-75 but not reflected in Ryerson grant income until 1975-76).

<sup>2)</sup> Table A-1 formula grant increase of \$72.5 million plus \$1.5 million increase from Ryerson formula weight change plus Table A-1 contingency amount of \$1.1 million minus \$0.2 million increase in theology grants.

the reliability of the base that it used to cost the Government's objectives. Council sensed that there might be a tendency for budgeted expenditures in any given year to be higher than the amounts actually expended. Instinct aside, Council knew that its budgeted expenditure base for 1974-75 was deficient in that it excluded certain outlays of churchrelated colleges not incorporated in university budgets. In the face of this situation, Council chose to wed instinct to fact by using the missing church-related college expenditures as a proxy for possible over-budgeting of expenditure in the university system as a whole. Meantime, on the revenue side. Council had included the Government grants to the church-related colleges. For the rest, a margin of error attached to Council's calculation of tuition fees, other revenues and (due to a

policy change) the Ryerson portion of formula grants.

The passage of time, and with it the availability of actual 1974-75 revenues and expenditures for the university system, including church-related colleges (save for their theology programs), has permitted Council to clear up the uncertainties that hedged the statistical base of its 1975-76 funding exercise. What is now the firm 1974-75 base, i.e. actual rather than budgeted expenditures and revenues, escalated by the identical factors used by Council last winter, is presented in Table A-2. It will be noted that the so-called "costtarget gap" becomes one of \$18.2 million. Of greater interest are certain inferences that the firm 1974-75 base permits about university financing. This matter will be taken up in Appendix 'B'.

Table A-3
Table A-2 Revised to Incorporate Updated Economic, Enrolment and Revenue Forecasts

The Cost of Meeting the Government's Objectives in 1975-76: Provincially Assisted Universities, Ryerson and OISE (\$ Millions)

	1974-75	Inflationary Trend Costs 1975-76	Existing Service Levels and Predicted Enrolment Costs	Total Estimated Cost 1975-76
Salaries Fringe Benefits Non-Salary Total	460.8 45.0 138.8 644.6	50.7 5.0 11.1 66.8	26.1 2.6 7.6 36.3	537.6 52.6 157.5 747.7

## University System Revenues Under the Government's Expenditure Target for 1975-76 - (\$ Millions) Increase in Revenue in

		Revenue in	
	1974-75	1975-76	1975-76
Formula Grants	463.4	74.9	538.3
Non-Formula	9.6	2.0	11.6
Other Revenue	57.1	0.8 (7.1)	57.9 (64.2)
Tuition & Other Fees	111.2	5.7	116.9
Total	641.3	83.4 (89.7)	724.7 (731.0)

### The Cost-Target Gap, 1975-76 (\$ Millions)

Cost of Meeting the Government's Objectives	747.7
Revenues Under the Government's Target Expenditure	724.7 (731.0)
Cost-Target Gap	23.0 (16.7)

With the question of Council's statistical base clarified, an additional and potentially less charitable backward glance can be focused upon the quality of Council's capacity to divine economic and enrolment trends. This is done in Table A-3, in which Council escalates the actual 1974-75 expenditure base in the light of its new knowledge about these trends. The passage of time has only supported Council's best estimate of consumer prices, and accordingly confirms the 11 per cent applied to salaries and fringe benefits last winter. In the non-salary area, the various components of the Wholesale Price Index moved with distinct moderation in the first six months of calendar 1975, but in the summer showed unhealthy signs of resurgence which are likely to be exacerbated during the fall, particularly in the realm of energy. On balance, Council's view of present trends is that the 16 per cent it applied in last winter's exercise warrants downward revision, and Table A-3 accordingly escalates non-salary expenditures by 8 per cent. A reverse situation obtains, however, with respect to enrolment increases. While 1975-76 enrolment estimates remain preliminary, the evidence indicates that Council's figure of about 3 per cent enrolment growth was a considerable underestimate and that even the 4.3 per cent prediction made by the Ministry of Colleges and Universities was overly conservative. For the purpose of Table A-3, enrolment growth is accordingly calculated at 5.1 per cent. Council's winter estimates of the real costs of maintaining or improving levels of service are unchanged. The same sweeping discount of 2.4 per cent in the name of "productivity gains" is applied to the cost of meeting the Government's funding objectives. The outcome is a revised total cost of meeting these objectives of \$747.7 million.

Against this cost of \$747.7 million, Table A-3 tallies total revenues of \$724.7 million, of which tuition fee income reflects the 5.1 per cent enrolment increase and other revenues are revised upward in deference to rising short term rates of interest. An alternative revenue total of \$731.0 million is indicated in parentheses since the line budget and other special grants of the Ministry of Colleges and Universities have not yet been fully traced to

recipient institutions and are therefore not totally incorporated in reported university revenues.

Depending on which of the two revenue totals of \$724.7 or \$731.0 million is applied against the cost of \$747.7 million, the result is a "cost-target gap" of \$23.0 or \$16.7 million. Having reviewed the funding exercise it undertook during the winter of 1975 in the light of all new knowledge that the passage of time has permitted, Council is content to leave to others the question of whether its efforts warrant a passing mark.

## Appendix 'B': The State of the University System

The task of costing a Government's funding objectives in any given year is important. Just as significant, however, is the financial state of the university system whether or not the Government has met the cost of its own objectives. This is because, in an autonomous university system, institutions retain a fiscal behavior pattern of their own. In Council's view one of its duties as it gains experience is to contribute to the state of knowledge about this behavior pattern. The present Appendix offers two initial contributions. The first concerns how university expenditures and revenues behave in the course of a fiscal year. The second involves the question of the difference, if any, between the fiscal objectives that universities pursue in their own budgetary process and those that are enunciated by Government in funding these institutions.

University Expenditures and Revenues in 1974-1975; Council's interest in the fiscal-year behavior of university accounts led it to compare the budgeted and actual expenditures and revenues reported by COFO-UO for the fifteen provincially assisted universities in 1974-75. Summary data, adjusted for clerical errors, are presented in Table B-1, and tell the following simple story. The fifteen provincially assisted universities embarked upon the 1974-75 fiscal year with a total budgeted deficit of \$9.4 million. They finished that year with an actual deficit of \$2.8 million. The deficit reduction took place in a setting where both actual expenditures and actual revenues turned out to be higher than the amounts originally budgeted. It was accomplished because actual revenue rose \$6.6 million more than actual expenditure.

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Comparison of Budgeted and Actual Revenues and Expenditures For 1974-75: 15 Provincially Assisted Universities—(\$Millions)

	Budgeted	Actual	Change
Expenditures	594.1	598.4	+ 4.3
Revenues	584.7	595.6	+10.9
Deficit	9.4	2.8	- 6.6
	Walkeley Frederical Control of Co		

### Table B-2

Comparison of Budgeted and Actual Revenues and Expenditures For 1974-75: 15 Provincially Assisted Universities—(\$ Millions)

	Exp	enditures		Rev	/enues	
	Budget	Actual	Change	Budget	Actual	Change
Brock	9.5	10.4	+0.9	9.6	10.4	+0.8
Carleton	33.4	33.5	+0.1	32.8	33.2	+0.4
Guelph	48.0	47.7	-0.3	46.6	47.3	+0.7
Lakehead	11.7	11.5	-0.2	10.9	11.2	+0.3
Laurentian	10.3	10.5	+0.2	10.0	10.1	+0.1
Laurentian Affiliates	3.4	3.4	0.0	3.3	3.3	+0.0
McMaster	41.3	42.6	+1.3	40.2	40.7	+0.5
Ottawa	51.3	49.8	-1.5	49.2	49.8	+0.6
Queen's	42.6	42.0	-0.6	42.1	41.9	-0.2
WLU	10.5	10.6	+0.1	11.0	11.4	+0.4
Waterloo	46.1	47.9	+1.8	45.9	47.4	+1.5
Trent	7.8	8.0	+0.2	7.5	7.9	+0.4
Western	62.6	62.2	-0.4	61.9	63.1	+1.2
Windsor	27.0	26.1	-0.9	26.1	26.0	-0.1
York	48.9	50.6	+1.7	48.8	51.1	+2.3
Toronto	139.7	141.6	+1.9	138.8	140.8	+2.0
	594.1	598.4	+4.3	584.7	595.6	+10.9

If nothing else, the story told by Table B-1 permits the initial observation that there was remarkably little change in the expenditure and revenue picture sketched by 1974-75 budgets and that which was actually recorded once the year had run its course. This same observation is confirmed in Table B-2. Here budgeted and actual revenues and expenditures are compared university by university.

A detailed probe by Council staff indicates that discrepancies between budgeted and actual amounts are in fact even smaller than Tables B-1 and B-2 indicate. This is because of a "netting and grossing" phenomenon whereby the budgeted figures of certain institutions are presented on a net basis while their actuals are recorded on a gross basis. To take a simple example, a given university may budget by omitting a health clinic's anticipated revenues from budgeted revenues, and including only the clinic's net anticipated expenditure in budgeted expenditures. At the end of the fiscal year, that same university will take the health clinic's realized revenue into actual revenues, and include its gross expenditure in actual expenditures. If allowance is made for this "netting and grossing phenomenon", the result does not alter the observed reduction in institutional deficits, but it brings actual 1974-75 expenditures almost exactly in line with budgeted expenditures and correspondingly reduces the excess of actual revenue over budgeted revenue.

As the highlight of its initial probe into the fiscal year behavior of university accounts, Council deems it particularly important to comment on what is in fact a near identity of actual and budgeted expenditures in 1974-75. This identity lends a concrete dimension to allegations of fiscal stress that have been conveyed by universities to Council. When universities begin a fiscal year with a budgeted deficit, they have a major incentive to hold actual expenditures as far below the budgeted level as possible. That their capacity to follow through was frustrated in 1974-75 may be due to ongoing inflationary trends that forced higher than anticipated salary or wage adjustments or that created unpredicted increases in the cost of certain goods. Alternatively or additionally, universities may already have

budgeted so close to the line that, despite internal control measures (e.g. reductions in year-end spending), unanticipated enrolment increases occasioned unanticipated costs. The underlying factors doubtless varied from institution to institution but the over-all picture is plain. Universities were unable to reduce their outlays in the course of 1974-75. Only a marginal excess of actual over budgeted revenues made it possible for the behavior of university accounts to bring deficits in that year under control.

University Fiscal Objectives in 1975-76: In an autonomous university system, institutions can be expected to follow objectives of their own. It is accordingly important to distinguish between the objectives a Government might have in funding the system, and the budgetary behavior of the institutions themselves. Council drew this distinction clearly in Advisory Memorandum 74-IV. That memorandum states:

Council closes by re-emphasizing that it has costed the Government's objectives in an exercise in which these have been taken strictly as given. Consequently Council has made no allowance whatsoever for any other objectives. Thus, for example, Council has not taken into account an objective like fair and equitable salaries for university personnel in relation to comparable employees in the public sector. Government did not list this among its chosen aims. Universities, of course, may choose or be compelled by force of circumstances to pursue this objective. The consequences of meeting it may possibly include deficits or a frustration of Government's service level objective or both.

Council's attempt in Appendix A to update as fully as possible the cost to Government of meeting its funding objectives for 1975-76 yields a "standard" that holds good for those objectives. But it tells us nothing about the objectives that universities are themselves following. That question, however, can be broached for the university system as a whole if the budgeted expenditures of the institutions in 1975-76 are compared with what might be expected to prevail in a setting where the Government's own objectives were fully funded. This "standard" is the cost of the Government objectives laid out in Table A-3 of Appendix A. Table B-3 compares the uni-

versity system's currently budgeted expenditures to that "standard." With the aid of its own extended inquiries into the financial state of universities during the spring and summer of 1975, Council makes the following observations.

- (1) It is interesting to speculate on why budgeted academic salaries of \$314.1 million should be \$4.7 million lower than those envisaged by the "standard." Total salary increases awarded to continuing faculty for 1975-76 were in the vicinity of 15 per cent. This percentage is higher than the percentages applied in calculating the "standard" (11 per cent for inflation and 2.5 per cent for career advancement). As to numbers of faculty in a setting of rising enrolment, preliminary and inexact data in Council's possession indicate a small net increase in full-time faculty but provide no information as to changes in the part-time complement. It seems clear that universities attempted to pursue an equity policy in faculty salaries geared either to past losses in purchasing power or to comparable settlements or both. The open question is whether or not faculty mix and numbers turned out to be sufficient to maintain service levels in the face of enrolment increases.
- (2) The budgeted expenditures of universities for support staff are ahead of the "standard" and thus permit the conclusion that the university budgetary process discloses the pursuit of an equity policy in wages and salaries whose costs exceed the maintenance of purchasing power and progess toward the job rate. This conclusion is reinforced by impressionistic information before Council that indi-

cates a net reduction in staff. In that a part of this reduction might be attributable to true productivity gains, it should again be remembered that Council's "standard" incorporates a sizeable target to this effect. Accordingly, it is entirely reasonable to entertain the hypothesis that the pursuit of equitable salaries for support staff took place at the cost of maintaining levels of service.

(3) The near identity between budgeted expenditures for fringe benefits and those indicated by the "standard" is likely due to the convergence between the "standard" and the combined budgeted expenditures for academic and staff salaries. To the extent that universities have warned Council of pending pension plan bills for unfunded liabilities and experience related deficiencies, Table B-3 does not indicate that these affected university budgets in 1975-76.

(4) The apparent gap between the "standard" and budgeted expenditures in the nonsalary area is a telling indicator of the extent to which the university budgetary process failed to accommodate the objective of maintaining levels of service. It lends a concrete dimension to the problem that universities have repeatedly and emphatically brought to Council's attention: deteriorating library acquisition budgets, deficient plant maintenance, non-replacement of obsolete furniture and equipment—in brief, a state of capital consumption.

The sum of the above observations delineates its own tale of fiscal stress. The budgetary decisions made within the university system accorded priority to an objective of

Table B-3

Comparison of 1975-76 Budgeted Expenditures and Those Estimated in Table A-3

1975-76 Expenditures for the Provincially Assisted Universities, Ryerson and OISE (\$ millions)

	Budgeted Costs	Costs Constructed in Table A-3	Difference
Academic Salaries	314.1	318.8	- 4.7
Staff Salaries	219.9	218.8	+ 1.1
Total Salaries	534.0	537.6	- 3.6
Fringe Benefits	52.2	52.6	- 0.4
Non-Salary	151.8	157.5	- 5.7
TOTAL	738.0	747.7	- 9.7

# 75-VII The Allocation of the Government's Operating Support for the University System in 1976-77

equitable salary settlements. Meantime, the reported pattern of enrolment growth indicated that the university system was accommodating the existing demand for student blaces. Bearing in mind that the standard of comparison involves a sizeable allowance for productivity gains, the compensation of personnel and the accommodation of students were accomplished at the expense of levels of service.

These twin objectives were accomplished at another expense not recorded in Table B-3: a sizeable budgeted deficit of \$16.1 million in the university system as a whole. This is the inal component of fiscal stress that characerizes the university system in 1975-76. Council's own best estimates of university evenues depicted in Appendix A indicate a marginal downward revision in the budgeted deficit that is outlined in Table B-4. But in the ast analysis, there is little likelihood that 1975-76 will end with a system-wide deficit of ess than \$7 million. Under conditions of fiscal stress the resistance of university expenditures against downward revision during the course of the fiscal year, duly analyzed at the butset of this Appendix, offers unhappy evidence to this effect.

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### Alternative Deficits In 1975-76: Provincially Assisted Universities, Ryerson and OISE

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	(\$Million)	
Revenues (Table A-3)		
Formula Grants	538.3	
Non-formula Grants	11.6	
Other Revenue	57.9	( 64.2)
Tuition and Other Fees	116.9	
TOTAL	724.7	(731.0)
ess: Budgeted Expenditures		
(Table B-3)	738.0	(738.0)
Deficit	-13.3	( -7.0)

By letter of December 12, 1975 to the Chairman of Council, the Minister of Colleges and Universities confirmed a global spending target of \$651 million in support of university system operations in 1976-77. By the same letter, the Minister formally referred to Council the task of advising on the distribution of \$637.5 million in operating grants. The amount referred by the Minister is very close to the level of funding envisaged by three recommendations (OCUA 75-12, 75-13 and 75-14) submitted by Council in Advisory Memorandum 75-VI. These recommendations entailed operating support of up to \$642.8 million, divided as follows:

(1) a base line amount of \$625.8 million (OCUA 75-12) to be distributed among the provincially-assisted universities, Ryerson and the Ontario Institute for Studies in Education and deemed by Council as sufficient "to offset inflationary trends, to maintain existing levels of service and to accommodate predicted enrolment increases at the undergraduate level";

(2) a supplementary amount of \$8 million (OCUA 75-13) "to recognize the needs for financial viability in the university system";

(3) an amount of "up to" \$9 million (OCUA 74-14) on behalf of special institutions and policy purposes.

In this Memorandum, Council responds to the Minister's reference on the allocation of \$637.5 million. Council notes that this sum is more than sufficient to cover its base line amount of \$625.8 million.

The Operating Grants Formula

A most gratifying outcome of the level of support accorded by Goverment for university operations in 1976-77 is that it permits Council to recommend what, in the course of its autumn deliberations, emerged as its preferred methods for allocating operating support to the university system for 1976-77. A critically important "test" for the level of support sufficient to sustain Council's allocative preferences was deemed by Council to be its base line funding figure of \$625.8 million, which in

this event has been more than covered. Council accordingly proceeds to outline its preferred modifications of the existing operating grants formula under two headings. The first, Graduate Funding Under Formula Suspension, is suggested by the acceptance of the recommendation made by Council in Advisory Memorandum 75-V. The second, Formula Sensitivity to Undergraduate Enrolment Change, deals with Council's consideration of the extent to which the allocation of formula grants in the undergraduate sector might acquire a different sensitivity to enrolment change.

Graduate Funding Under Formula Suspension

In Advisory Memorandum 75-V, Council recommended "that the present formula be suspended with respect to funding of graduate work in 1976-77 and 1977-78 in favour of grants to institutions that will be totally insensitive to changes in enrolment levels." Having made this recommendation, Council left open the question of the alternative mechanisms whereby funds for the support of graduate study could be most equitably generated and distributed in 1976-77. In Council's words,

One possible approach is simply to consider the 1975-76 graduate income of each institution as its base grant, and to escalate this amount for inflation. This approach, given slip year, would produce a distribution of funds that is geared to 1974-75 enrolment. While Council deems Advisory Memorandum 75-II as constituting due notice of such a possibility, it is seriously considering an alternative that would respect the 1975-76 distribution of enrolment, including enrolment in new programs recently approved as eligible for funding. Under this alternative the base for the 1976-77 graduate studies grant would remain the system-wide income for 1975-76, but the derived amount would be distributed in a manner that reflected institutional enrolment in 1975-76 rather than 1974-75.

Council now declares its explicit preference for the institutional enrolment count embodied in the second of the alternatives it outlined in Advisory Memorandum 75-V. The allocation of graduate funding in accordance with 1975-76 BIU's cushions the impact of a sudden suspension of the formula system that

has influenced university expectations for almost a decade. The same alternative is what permits enrolment in programs that were formally approved last summer, prior to formula suspension, to be treated in the same manner as enrolment in all other hitherto approved programs. For these reasons, Council recommends to the Minister:

### OCUA 75-16

Distribution Mechanism with Respect to the Funding of Graduate Work in 1976-77 and 1977-78

That under formula suspension with respect to the funding of graduate work in 1976-77 and 1977-78, grants to institutions be allocated in accordance with the distribution of eligible graduate Basic Income Units reported in 1975-76, these units to be designated during the period of suspension as Graduate Funding Units.

Council has chosen to recommend that 1975-76 eligible graduate BIU's be designated Graduate Funding Units as a convenient label for the distinction that will prevail between the funding treatment accorded to undergraduate enrolment and that accorded to graduate enrolment during the period of formula suspension.

Having chosen to recommend that the distribution of graduate grants under formula suspension be through Graduate Funding Units equal to the number of eligible 1975-76 graduate BIU's, Council is sensitive to the issue posed by enrolment in programs that were in advanced stages of the funding approval process at the time that Advisory Memorandum 75-IV initiated departures from past practice subsequently capped by formula suspension. Students enrolled in such programs do not count as eligible 1975-76 BIU's, and Council has considered what action, if any, might be warranted on its part.

A key element of past practice that was brought to an end by Advisory Memorandum 75-IV was the one whereby a Council recommendation for program approval could be expected to flow easily and automatically from the point where a proposed program was certified as being in accord with institutional plans, in an unembargoed discipline and in possession of a favourable appraisal. Council

learly signalled in Advisory Memorandum 5-IV that these conditions would henceforth emain necessary but that they would no onger automatically prove sufficient. Indeed, nat Memorandum proposed to terminate the equential submission throughout the year of rogram approval requests in favour of a sitution where "Council will in future advise on ew graduate programs on only one fixed ate each year". This new practice, it was ubmitted, "will enable Council to have before the entire range of proposed new programs t once, and facilitate its task of balancing fisal realities and new initiatives." From the me the Minister of Colleges and Universities sponded favourably to Council's suggested pproach, the approval of any given new raduate program became a matter for conecture. In Council's view, this fact assumes ritical importance in dealing with the queson now posed under formula suspension by ne status of enrolment in programs that were advanced stages of the funding approval rocess last summer. Whether or not formula uspension was in place, the existence of Adsory Memorandum 75-IV would couch the natter of whether these programs might reeive approval in hypothetical terms.

As for formula suspension itself, Council ppreciates that this device is not immune to ny of a number of the questions that can adere to the use of blunt instruments. But the articular question raised by BIU eligibility or programs in an advanced stage of the funing approval process last summer is one that ouncil is disinclined to remedy during the eriod of formula suspension because the latter of approving any given program would ave remained hypothetical even in the ab-

ence of formula suspension.

Given the strict attitude that Council dopts, a very particular set of circumstances ttaching to a single program lead it to recmmend funding approval at this time so that ludents enrolled in that programme in 1975-6, if any, can count as Graduate Funding nits in the base that will govern graduate Inding distribution under formula susension. The program in question is the Masor of Science in Watershed Ecology at Trent niversity. This is the lone program concern-19 which Council received a formal COU reuest for funding during the period that intervened between the submission of Advisory Memorandum 75-IV to the Minister on June 21st and the release to the university community of that Memorandum together with the Minister's response on July 22nd. In that adherence to past practice appears called for up to the day when the university community was officially notified of change, Council simply notes that the M.Sc. in Watershed Ecology at Trent University was duly certified by letter of June 30th from the Executive Vice Chairman of the Advisory Committee on Academic Planning as being in an unembargoed discipline, in possession of a favourable appraisal and in accord with that institution's five-year plan, and accordingly, recommends to the Minister:

#### OCUA 75-17

Master's Program in Watershed Ecology at Trent University

That the M.Sc. in Watershed Ecology at Trent University be deemed eligible for funding.

Formula Sensitivity to Undergraduate Enrolment Change

Through Advisory Memorandum 75-II, Council gave notice to the effect that it was "actively considering options whereby the formula that will determine operating grants for 1976-77 might be made less sensitive than the present formula to enrolment changes." Forraula suspension in the graduate realm involves a period of total insensitivity to enrolment. Council now broaches the possibility of a gradual process whereby the formula that remains ongoing in the undergraduate sector can acquire some reduced sensitivity to enrolment change.

Council's spring hearings gave it the benefit of a broad range of views on formula sensitivity to enrolment. These views were formulated with evident care. Their sophistication precludes comparative tabulation and indeed is such that no particular consensus can be readily identified. At the most general level, the prime university concern is for adequacy of funding without regard to any particular formula approach. Below this level of generalization, Council took away the impression

that fiscal stability sufficient to maintain service levels is accorded a measure of priority over growth and that accessibility of the university system to student numbers is hedged by a genuine concern for the quality of a student's university experience. In a context of limited financial resources, there is evident support for reduced formula sensitivity to enrolment changes from important quarters, notably the operating grants committee of the Council of Ontario Universities, the C.O.U. special committee to assess university policies and plans, and the Ontario Cofdederation of University Faculty Associations. Certain individual institutions made specific suggestions whereby formula funding might be made less sensitive to enrolment.

Council's views on the question of formula sensitivity to enrolment change evolved over a lengthy series of meetings. Council began by taking as its own the concerns of the university community over growth and stability, accessibility and quality. These concerns are longrun as well as immediate. Council has no claim to any special degree of clairvoyance, but simply takes existing demographic data as indicating the likelihood of some further growth in student numbers through the early nineteen eighties, followed by a lengthy period of possibly severe enrolment decline. In the shorter run, the Government's avowed policy, reflected in its funding levels, of maintaining a university system that is broadly accessible, speaks for a university environment that should accommodate some further measure of growth. Looking further ahead, stability, always a desideratum in university financing, may acquire particular vulnerability in a setting where the adequacy of funding levels is no longer supported by the priority claim of a public expenditure sector whose service is in a state of rising demand. These twin considerations set Council on a search for a formula change that would at once respect the immediate claims of accessibility and accommodate the longer run premium on

At this juncture, Council's deliberations yielded a key test to be met by any important formula change. Such change should have long as well as short-run validity. As a logical extension of this proposition, such change should, at the time of adoption, promise to

minimize any need for year-to-year tampering. With respect to enrolment sensitivity, this consideration alone led Council to downgrade the advisability of so-called "split Basic Income Unit" options, whereby additional BIU's in any given year might be accorded a fractional value of the prior-year BIU's. "Split BIU" options to varying degrees beg genuine questions of devising fractional values for successive years. The result is an atmosphere of uncertainty, to say nothing of a tax on the future ingenuity of the would-be author of formula reform.

At this point Council began to accord the most serious consideration to the possibility of enrolment averaging. A proposal of this nature had indeed been advanced in the course of Council's spring hearings by the University of Western Ontario. Formula support geared to a moving multi-year enrolment average carmaintain a growth incentive and hence honour the goal of accessibility. At the same time enrolment averaging generates a genuine element of stability over the longer run. In the intermediate term, this same technique insulates institutional income from sudden and unpredictable enrolment drops and hence fosters a more secure planning atmosphere.

With the case for enrolment averaging thus put, Council's attention focused on an additional consideration that in the end clinched its final choice. Council has accumulated what now amounts to an impressive list of suggestions for formula change. This list is prominently marked by requests for revision in program weights. The merits of these requests doubtless vary. But program weight changes, however warranted they may be, have a likely impact on the distribution of operating support among institutions. A formula geared to enrolment in a single year undoubtedly accentuates the possibility that weight changes will engender abrupt redistributive effects. This possibility can in turn a too easily become a factor that inhibits an honest appraisal of the merits of weight changes in good faith with all concerned. Since it is Council's most earnest wish to minimize barriers to needed formula revisions, the enrolment averaging technique acquires additional merit in that it permits gradual phasing with respect to a potentially nportant sector of formula change.

In sum, enrolment averaging came to be een by Council not only as striking an initing balance between growth and stability ut indeed as a bona fide to the university ommunity that yet other steps in formula repring can and will be contemplated seriously. Would be quite premature for Council to exress at this time the span of years that might nally be incorporated into a moving average. or discussion purposes with the university ommunity, Council invites contemplation of that by 1979-80 could be five-year average of nrolments in the years 1974-75 through 978-79.

For the present, Council, having become onvinced of the merits of enrolment averging, wishes the university system to aproach its coming cycle of undergraduate adhissions decisions with foreknowledge of prmula sensitivity to enrolment in the 1977-8 fiscal year. Council views 1976-77, the imhediate fiscal year with which this Memoandum is primarily concerned, as providing the ideal opportunity for transition from the urrent single-year enrolment system.

Council favours for 1977-78 a distribution formula grants geared to average underraduate BIU's in each of 1974-75, 1975-76 nd 1976-77. For 1976-77, Council's choice of appropriate transition is one that will acord a one-third weight to 1974-75 underraduate BIU's and a two-thirds weight to 975-76 undergraduate BIU's. Accordingly council recommends to the Minister:

#### CUA 75-18

Pistribution Mechanism with Respect to Fornula (Undergraduate) Grants in 1976-77 hat the distribution of formula grants in 1976-77 be based upon an averaging of onenird of the eligible undergraduate BIU's in ach institution in 1974-75 and two-thirds of ligible undergraduate BIU's in each instituon in 1975-76.

Furthermore, to assist universities in their scal and undergraduate enrolment planning or 1977-78, Council wishes to request an arly Ministerial announcement with respect the distribution mechanism that should revail in that year. Council therefore recomnends to the Minister

#### OCUA 75-19

Distribution Mechanism with Respect to Formula (Undergraduate) Grants in 1977-78 That the Minister give early notice of intent that 1977-78 formula grants be distributed in relation to the average number of eligible undergraduate BIU's in each institution during the years 1974-75, 1975-76 and 1976-77.

This much brought forward, Council retains under advisement as the subject of potential recommendations for possible implementation in 1977-78 or later years its entire list of requests for formula revision. With particular regard to submissions for program weight changes, Council offers the very revision in enrolment sensitivity it has recommended as its assurance that all such submissions will be treated seriously.

## The Distributive Impact of Recommendations 75-16 and 75-18

Table I illustrates the distributive impact of Council's recommendations on formula suspension with respect to graduate funding and on the particular averaging technique selected for formula grants in 1976-77. For the purpose of the illustration, a fixed grant sum of \$612.9 million is distributed in Column 1 as if the provisions of the slip-year enrolment formula in effect in 1975-76 had been carried forward into 1976-77; then in Column 2 under these same provisions as affected by the Graduate Funding Unit approach; and finally in Column 3 under the sum total of undergraduate BIU averaging and GFU's under formula suspension. The amounts shown in the columns permit direct comparision of the allocation of a fixed sum under each of these distribution mechanisms. The illustrative grant sum of \$612.9 million that underlies the exercise is derived from Council's base line funding recommendation of \$625.8 million, less an arbitrary amount of \$12.9 million set aside for extrapolated bilingualism and Northern grants and for allocation between supplementary grants or additional formula or graduate grants.

IIIOCAIIOII OI AII IIIIASII	מווגב סחווו סו אסוד	S WILLION ONGE AND	Allocation of an illustrative sum of soiz, a million officer Airemanne Distribution mechanisms	n Mechanisms		
	Col	Column 1	Colt	Column 2	Colu	Column 3
	Unaltered Grants Fo	Unaltered Operating Grants Formula (OGF)	OGF as Affected Treatment of G	OGF as Affected by Recommended Treatment of Graduate Funding	OGF as Affected Treatment of Gradi Revised by Enro	OGF as Affected by Recommended Treatment of Graduate Funding and as Revised by Enrolment Averaging
	Amount	Per Cent Increase Over 1975-76	Amount	Per Cent Increase Over 1975-76	Amount	Per Cent Increase Over 1975-76
	(\$000,s)	(%)	(\$,000\$)	(%)	(\$,000\$)	(%)
Brock	10,319	20.8	10,337	21.0	10,184	19.3
Carleton	33,074	19.9	33,071	19.9	32,994	19.6
Guelph	38,165	11.6	38,192	11.6	38,421	12.3
Lakehead	9,462	18.7	9,475	18.8	6)386	17.7
Laurentian	8,729	12.9	8.745	13.1	8,807	13.9
Algoma	925	2.0	927	2.2	696	6.8
Nipissing	1,277	44.6	1,280	45.0	1,198	35.7
Hearst	250	-2.0	250	-2.0	266	4.3
McMaster	42,852	14.4	42,823	14.3	42,605	13.8
Ottawa	47,174	14.2	47,150	14.1	47,102	14.0
Queen's	42,174	12.0	42,178	12.0	42,153	12.0
Toronto	138,575	9.8	138,509	9.7	139,453	10.5
Trent	6,055	18.6	6,067	18.8	6,021	17.9
Waterloo	47,228	13.5	47,217	13.4	47,315	13.7
Western	64,567	13.1	64,587	13.1	64,660	13.3
Wilfrid Laurier	11,188	20.3	11,200	20.4	11,084	19.2
Windsor	28,016	25.6	28,033	25.7	27,348	22.6
York	48,414	15.4	48,409	15.4	48,557	15.7
Ryerson	25,453	12.9	25,505	13.2	25,546	13.4
OISE	900'6	16.4	8,938	15.5	8,942	15.6
All universities,	612,903	13.8	612,893	13.8	613.014	13.8

# Supplementary, Northern and Bilingualism Grants

The differences among the grant amounts isplayed in the three columns can be explaned in terms of the differences among unit alues. Column 1 grants are based on a BIU alue of \$2,245. Column 2 grants involve a IIU value of \$2,249 and a GFU value of 2,229. The moderately lower GFU value tems from the differential treatment acorded by Council to graduate as opposed to ndergraduate funding in Advisory Memoandum 75-VI. Column 3 grants involve a BIU alue of \$2,286 and the same GFU value as ne Column 2 grants. The BIU value underring Column 3 grants is moderately higher nan the Column 2 BIU value because of enolment averaging.

Council is content to leave this illustration f the redistributive results of its recommenations to speak for itself. Council simply otes that its recommendations have a disnetly moderate redistributive impact generlly and, with particular regard to formula uspension in the realm of graduate funding, nat the result marginally favours institutions with a low proportion of graduate students, including all five of the universities regarded is small.

#### **Supplementary Grants**

Carleton, Windsor and York. In Advisory Memorandum 74-II, Council last year reviewed at some length various criteria that might be used to justify the accordance of supplementary support to designated institutions. In the particular cases of three universities that had requested supplementary funding-Carleton, Windsor and York-Council declared itself "short of an adequate rationale for supplementary grants." Council accepted the word of these universities that they had problems; its difficulty lay in indentifying these problems and in assessing the extent to which such problems if identified might sustain a case in equity for supplementary grants.

Faced with this difficulty, Council confessed to a state of mystification and temporarily resolved its quandary to the benefit of Carleton, Windsor and York by recommending supplementary grants for 1975-76. But these grants were to be viewed as "plainly transitional in nature", and Council requested that "henceforth specific reports be submitted to it by the three universities in question documenting progress in the identification and solution of their problems, with their particular attention concentrated on showing why, in equity, such support should not be phased out within the next two or three years."

Council acknowledges with gratitude the efforts made by Carleton, Windsor, and York in preparing documented cases on their respective positions, and appreciates the frank quality of the oral discussions with their officials that the presentations of these cases occasioned. There is no question that Council's dialogue with representatives of these three institutions made a considerable contribution to its education in matters of university finance. As a general proposition, Council remains unconvinced, as it was a year ago, that the so-called "mix" criterion discussed at length in Advisory Memorandum 74-II offers grounds for supplementary support. On the other hand. Council has gained heightened awareness of certain broad questions that will contribute to its views on the future development of university financing in Ontario. One concerns the recognition of enrolment or head-count related costs as distinct from program costs; a second involves the distribution of formula weights among general and honours undergraduate students. Yet a third problem might attach to the costs inherent in providing integrated instruction by full-time faculty to part-time sutdents; but here Council has found that the characteristic of high integration is in fact not peculiar to Carleton and York and may be more generally related to internal university priorities than to a deficiency in the current formula.

What has contributed to Council's education on issues to which it should be sensitive in advising on formula revision is one thing. What in Council's view would constitute an adequate rationale in equity for continued supplementary grants to Carleton, Windsor and York is quite another. Such a rationale would have to be grounded in evidence to the effect that Carleton, Windsor and York have suffered from formula-generated inequities to the point where the beneficial impact of future formula revisions on their individual positions should be anticipated through a continuation of extra-formula funding at this time. Given the variety of pleas brought forward by numerous universities including Carleton, Windsor and York for formula changes, Council is by no means assured that the end result generated by a revised formula would indeed improve the relative positions of Carleton, Windsor and York.

In the circumstances, Council has had occasion to ponder seriously whether whatever problems led to supplementary support for Carleton, Windsor and York in 1974-75 and 1975-76 lay outside the realm of the current formula per se. Council's conclusion is that the most significant hypothesis for explaining the position of Carleton, Windsor and York is that a lack of balance between resource commitments and enrolment growth during the first part of the present decade handicapped them with a temporary burden of excess capacity. Their evident enrolment growth in 1975-76, coupled with virtually unchanged staff resources, is taken by Council as indicating that the three universities continued to share a degree of excess capacity that awaited filling. Council's judgement is that it was excess capacity more than any formulagenerated inequity that distinguished the

problems besetting Carleton, Windsor and York. In this light, Council is not recommer ding supplementary grants for these univer sities in 1976-77.

The mystification that led Council to recommend supplementary grants to Carleton Windsor and York in 1975-76 in effect levied "tax" on the formula support of the total inst tutional system, a "tax" whose payment related more to a lack of balanced growth with these three universities than to formulagenerated difficulties peculiar to these instill tions alone. This result, to Council, calls for termination rather than a phasing out of the supplementary grants accorded for 1975-76 to Carleton, Windsor and York, Council on adds the observation that these institutions will receive in 1976-77 a percentage increas in formula grants which, if calculated over the combined formula and supplementary gran received in 1975-76, is higher than the percentage increase in the formula support of several universities that have never had the benefit of special funding.

Brock, Lakehead, Laurentian and Trent. Council in Advisory Memorandum 74-11 attached legitimacy to the notion that size could serve as a criterion for the accordant of supplementary grants, and therefore recommended that such grants be made to Brock, Lakehead, Laurentian and Trent in 1975-76. Recognizing that a key question it the application of the size criterion to the m ter of supplementary grants might involve t enrolment threshold at which a small univer sity should be able to fulfill expectations of viability without such support, Council was strongly impressed by the fact that Brock U versity openly declared itself just short of what it deemed to be its own threshold size Council accordingly invited all small univer sities to assist it during 1975-76 in resolving the problem of their critical enrolment thres olds for the future. At the time, it appeared Council that encouraging individual institut tions to identify their own threshold sizes might offer an improvement over multiple as inconclusive efforts made by others in the pa to identify mathematically a threshold point that would be common to all small universities.

Having examined submissions from Onario's small universities which it gratefully cknowledges, and having further engaged in orthright discussions with their officials, Council must report that its attempt to deternine individual threshold sizes through a proess of self-identification had mixed results. Council did succeed in identifying certain henomena of potential significance to the uture of the Ontario university system, for exmple the existence at Lakehead and Lauentian of a substantial number of underraduate places that could apparently be illed at a marginal cost less than one-third of verage cost. The same universities made onsiderable efforts to identify threshold izes, but it was plain that each university's hreshold involved delicate assumptions bout enrolment distribution among prorams. On a different level Council learned nuch, particularly from Trent University, bout the extent to which the aims and objecives of an institution can relegate threshold ize to a distinctly secondary consideration. n sum, Council's own quest for threshold izes during the last year proved elusive.

Council undertook on its own to review losely the past development of funding polcy with respect to small universities in Onario and has discussed with the presidents of Brock and Wilfrid Laurier the circumstances hat have enabled these institutions to conider themselves at or beyond a threshold point of emergence. Wilfrid Laurier is quite widently a special case, having only recently hade the transition from a denominational initution to the status of a provincially assisted university. For quite different reasons, Brock

offers a special case as well.

The development of provincial policy tovard the funding of small institutions acluired a distinct change in tone as the nineen sixties drew to a close. Having begun with a policy that generated special support leared solely to the size of what were much maller institutions at the time the formula same into being, the Committee on University Affairs, officials of the Ministry of Colleges and Universities, and indeed the Minister of Colleges and Universities in the period 1969-3 suggested quite explicitly and with increasing urgency that emergence onto the ormula should be viewed as a question of

time as well as a question of size. The special case of Brock quite evidently joins the change in provincial policy during this period. That institution evidently took the signals it received from the Government with great seriousness, and indeed in the words of the current President placed an "urge to emerge" in a position of primacy. In reaching for its goal, Brock was doubtless assisted by the fact that it has been alone among the four small universities to have enjoyed uninterrupted growth since 1969. But there is no question in Council's mind that careful internal planning in the deliberate pursuit of emergence has played a major role.

In 1975-76 Lakehead, Laurentian and Trent remained smaller than Brock in its state of near emergence. Beyond this point, the two northern universities must be distinguished from Trent. As northern institutions, Lakehead and Laurentian developed in a setting where the provision of regionally oriented educational, research and community services was accorded major priority. In that the Government of Ontario chose last year on Council's advice to accord explicit recognition to the peculiar needs that the Northern environment generates for university services, it singled out as a matter of public policy a distinguishing factor that hitherto may have blurred the distinction between size and the existence of truly extraordinary geographical circumstances. Council appreciates the extent to which, until 1975-76, Lakehead and Laurentian may have been quite uncertain about whether their supplementary grants involved an implicit geographical component. Northern grants now eliminate this possible source of past confusion.

Such a possible source of past confusion is of course absent in the case of Trent. That institution has consistently awarded primacy to its own aims and objectives. Upon examination, the record is not lacking in evidence that Trent has deployed its resources with care. Nonetheless, Trent's posture gives Council cause to have reservations about whether signals concerning Government funding evidently received from the Committee on University Affairs, Ministry officials and the Minister in the past were fully assimilated.

The current environment makes it important that it be clearly understood that there is little or no likelihood that supplementary grants to Trent, and for that matter supplementary as distinct from Northern grants to Lakehead and Laurentian, can or should continue indefinitely. For one thing, that environment is bringing the entire Ontario university system to the brink of a period when, beginning in the mid-nineteen eighties, total enrolment is almost inevitably bound to decline in that system as a whole. For another, the current economic climate indicates that it is the better part of prudence for all concerned, and particularly institutions with special funding claims based on elusive grounds, to anticipate in their internal planning and decision-making a level and distribution of public resources that reflect increasing stringency.

Council wishes to communicate to Lakehead. Laurentian and Trent in the clearest possible terms that its advice to Government with respect to supplementary grants will in the coming years openly urge further emphasis on time as a major factor in emergence onto formula funding. It will accordingly encourage the Government to reduce supplementary grants year by year. Council will of course give high priority to the examination of possible formula changes. If warranted by considerations of system-wide equity, such changes might assist Lakehead, Laurentian and Trent or any one of these universities in accelerating the process of emergence. But for each of them, the most careful internal stock-taking, the fullest exploration of relations with other institutions in the local community and the university system, and the most active cultivation of private means of support are bound to be crucial.

Council's approach to the specific matter of supplementary grant amounts for next year is grounded in the above considerations. Having delivered its message, Council has wished to avoid in 1976-77 precipitous financial consequences for the three institutions that have yet to emerge. In this context, it has sought to be sensitive to the advent of enrolment averaging for formula income, and also to devise an end result that will produce for Lakehead, Laurentian and Trent percentage increases in combined formula and supplementary grant income that for the coming year will fall within

the range of percentage increases in the for mula income of other institutions in the university system. Council accordingly recommends to the Minister:

#### OCUA 75-20

Supplementary Grants to Lakehead, Laurentian and Trent, 1976-77

That supplementary grants in the following amounts be made to Lakehead, Laurentian and Trent in 1976-77:

 Lakehead
 \$1,000,00

 Laurentian
 \$ 750,00

 Trent
 \$1,650,00

Brock University, through efforts that Cour cil acknowledges, will be at the point of emergence in 1976-77. Council wishes to recognize this circumstance through a small term nal supplementary grant. In recommending this grant for Brock University, Council wishes to register its opinion that a university once emerged should be considered as having achieved that state permanently. Such voissitudes as the future may bring with respect to enrolment levels are for each and every emerged institution to accommodate a best it can. For the year in which Brock enter the state of what Council deems as full emergence. Council recommends to the Minister

#### OCUA 75-21

Terminal Supplementary Grant to Brock Unversity, 1976-77

That a terminal supplementary grant of \$100,000 be made to Brock University in 1976-77.

#### **Northern Ontario Grants**

The advent of Northern Ontario Grants to the university financial scene is the direct result of a Governmental initiative in 1975 to recognize as a matter of public policy the special fiscal problems of providing university education in the Northern environment. In recommending this initiative to Government in Advancy Memorandum 74-III, Council took care to designate for 1975-76 initial funding level that would, in its view, "represent a judiciou balance between tangible fiscal recognition now and potentially higher assistance documented by adequate study later." Council

de it clear that the actual grant amounts corded for 1975-76 should be "without prejce to such higher levels of support as spelstudy might justify in 1976-77 and rond."

During the past year, Council undertook to dy the future of Northern assistance as a tter of high priority. Council by no means ight a "final solution" to the matter of asance levels. Certain longstanding quesis that touch upon the entire structure of stsecondary education in the North, inding the relation between universities and leges of applied arts and technology, rere not only examination but resolution in next few years. What Council sought bugh its own study was to arrive at a means calculating assistance levels that would rereasonable validity during at least the few ers that doubtless remain before outnding structural issues in Northern postondary education can be laid to rest. In uncil's view, the legitimacy accorded by Government of Ontario to the principle of thern assistance demands some method preby annual grant levels can be readily culated until further notice.

douncil's study drew substantial assistance of documents prepared by the officials of sehead University, Laurentian University the Laurentian affiliated colleges of Alma, Hearst and Nipissing. After analysis, as documents provided in turn the foundator frank and instructive discussions with itutional representatives. With this additab background, Council after due deliberton formulated the following opinion. dditional costs unquestionably accrue to othern university operations for environ-

thern university operations for environntal reasons. These "base line costs of ing Northern" encompass items such as free, academic and administrative travel secondary school liaison. Council's own becately conservative estimate after careistudy is that, as a general proposition, the spiritude of these base line costs cannot be than 5 or 6 per cent of operating income. It is estimate makes no allowance for certain that might justifiably be said to constigrey areas.

of greater importance to Council than grey ras in base line costs are other Northern reles with broad economic implications. To

cite an example, the isolation of Northern universities makes the exploitation of opportunities for inter-university cooperation and exchanges inherently more costly than for Southern institutions. More generally, there can be extra costs associated with the maintenance of a minimum range of programs in a carefully planned university whose aims and objectives are infused by the need to serve the Northern environment. A quantitative assessment of such costs would involve among other things assumptions about the present adequacy of institutional planning which Council is unable to make at this time. Nonetheless, an over-all level of Northern assistance designed to obtain for the next few years should attempt to recognize genuine if unquantified realities as well as base line costs.

In approaching the actual level it wishes to recommend, Council, as already indicated, has been inclined to seek a method whereby the amount of each Northern Ontario grant will be readily calculable for more than one year. It is clearly inviting to select a method that is at once simple and yields an annual outcome which will be known by each institution at the outset of its budgetary cycle. After due consideration, Council has concluded that its preferred method, with the sole exception of Hearst College, would be to arrive at the level of Northern Ontario grants in any given year by applying a percentage to the Basic Operating Income of each institution in the previous year. This particular base is known by each institution well in advance of its forward budgetary planning.

With respect to the two Northern universities of Laurentian and Lakehead, Council would apply to their respective prior-year Basic Operating Income the figure of 11 per cent. A similar percentage appears warranted for the two universities in that Lakehead's greater geographical isolation is balanced in the Laurentian case by its peculiar affiliation structure that embraces all of Northeastern Ontario.

With respect to the Laurentian affiliates of Algoma and Nipissing, Council has borne in

arrived at a proposed figure of 12 per cent of prior-year Basic Operating Income. Hearst College for its part, occupies a patently exceptional position. Given Hearst's extreme isolation together with the expanse of territory over which its services are provided, Council deems that a special approach to the calculation of Northern assistance is justified. Council wishes to fix an amount of \$90,000 as the Northern Ontario grant to Hearst for 1976- This amount would thereafter be adjusted with respect to the annual percentage change in that institution's prior-year Basic Operating Income. To take 1977-78 as an example, Hearst's Northern Ontario grant would be adjusted in accordance with the percentage change that its 1976-77 Basic Operating Income represents vis-à-vis its 1975-76 Basic Operating Income. Council, having arrived at the amounts indicated for Northern grants by the considerations laid out above, recommends to the Minister

#### OCUA 75-22

Northern Ontario Grants 1976-77 That Northern Ontario grants in the following amounts be made in 1976-77:

Lakehead \$1,075,000
Laurentian \$1,085,000
Algoma \$150,000
Hearst \$90,000
Nipissing \$141,000
and that, until further notice, subsequent

Northern Ontario Grants be calculated in accordance with the approach outlined in this Memorandum.

With respect to Laurentian and its three affiliates, the outcome represented by the above recommendation reflects Council's attunement to the nature of their affiliated structure. Council's exploration last fall of the workings of this structure with the representatives of each of the institutions involved contributed greatly to its appreciation of the Northeastern environment. In that this exploration has impressed upon Council a sense that the interstices between Laurentian and its affiliates have potential for further development, Council wishes to exhort these institutions to take advantage of the latent opportunities that adhere to their affiliation.

On a final note of exhortation addressed Lakehead, Laurentian, the Laurentian affiliates and the Government of Ontario, Counwishes to register its appreciation of the spicial contribution of Northern universities to the cultural life of their communities. Coursenses that this contribution in many instances may be such that appropriate examples of its range should be brought to the sympathetic attention of the Ministry of Cuture and Recreation by the institutions involved.

#### **Bilingualism Grants**

In Advisory Memorandum 74-II, Council re viewed the history of the bilingualism gran whereby the Government of Ontario has a corded recognition since 1967-68 to specia costs incurred for this purpose by various stitutions. Council observed that the grant amounts awarded from year to year follow no discernible pattern, and also noted the conclusive attempts made in the past to ur cover reasonably clear grounds on which base the level and distribution of bilingual grants. Forced to content itself with an inte recommendation on the level of bilingualis support for 1975-76, Council underlined th need for serious study of both the policy of jectives that these grants might serve and special costs that they might seek to recog nize. The assistance of the then nascent Ac sory Council on Franco-Ontarian Affairs w warmly solicited, and that Council subsequently responded in kind by creating a special subcommittee on the costs of bilin gualism in Ontario post-secondary institutions.

In October, 1975, this special subcommit competed an interim report which, for lack time and resources, was understandably unable to analyze policy objectives or to prove an independent cost analysis. Relying instead upon institutional cost estimates, the subcommittee duly noted the existence of specosts without corroborating their validity. It subcommittee also took due cognizance of the potential cost of new initiatives whose planning the Government of Ontario has ecouraged through the Advisory Council of Franco-Ontarian Affairs. Pending further study, the subcommittee recommended and terim formula whose effect would be to in-

ease the level of bilingualism grants in 76-77 by about 60 per cent. A final report as promised by the Chairman of the Adviry Council for the spring of 1976. While Council accords great weight to the liberations of the Advisory Council on anco-Ontarian Affairs and its subcomttee, it must accept as a fact that these deerations were unassisted by detached udy of either the objectives to be served by a ingualism grants policy or the nature of the sts pursuant thereto. In this setting, Coun-'s own deliberations join those of the Adviry Council in being hedged by an atmohere of uncertainty.

It is far from clear to Council what emphasis ould attach to the various objectives that a ingualism grants policy might potentially rsue. What is even less clear to this Council the extent to which the objectives of such a licy, once identified, should be pursued th different emphasis in different instituns. The process of identifying and estiating eligible costs, itself no mean exercise, nnot proceed in innocence of the policy obctives to be served by a bilingualism grants licy.

Council's major reservation at this time is at an increase in bilingualism grants of the agnitude contemplated by the subcomttee's interim report might materially alter financial dimensions of a problem that reains under active study. On the other hand, buncil cannot altogether dismiss the case nich the interim report outlines in preninary fashion, particularly in a context here the active development of a positive overnment policy for the support of bilinalism is underlined by the availability of ogram planning grants.

Under the circumstances, Council deems it se to accord major emphasis to the potenobjectives whose clarification will enable bilingualism grants policy to lie on firm undations. As was duly recognized in Adviry Memorandum 74-II, one institution, the niversity of Ottawa, has pursued a range of jectives in the realm of bilingualism with a storical thrust and scale of magnitude untched elsewhere. Council is accordingly sposed, in what remains an interim setting, recognize the comprehensiveness of the

objectives pursued by the University of Ottawa by recommending an adjustment in its bilingualism grant for 1976-77 that represents a 25 per cent increase over the level accorded in 1975-76. As to the remaining institutions, Council is disposed to recommend an adjustment that mirrors the across-the-board increase in support accorded for 1976-77 by the Government of Ontario to universities generally, namely 15 per cent. With respect to St. Paul University, due recognition is accorded to its status as a theological college henceforth eligible for full rather than half support. Council accordingly recommends to the Minister:

#### OCUA 75-23

Bilingualism Grants 1976-77

That bilingualism grants for 1976-77 be made

as follows:

St. Paul

Ottawa \$2,888,000 Laurentian \$690,000 Glendon \$161,000 Hearst \$23,000 Sudbury \$29,000

\$58,000

Having made the above recommendation, Council wishes to emphasize that no prejudgement whatsoever is accorded to the level or distribution of bilingualism grants that should prevail after the completion of adequate study. Council looks forward to receiving in the coming spring the final report of the subcommittee of the Advisory Council on Franco-Ontarian Affairs, and pledges itself to a close analysis of this document, including a detailed discussion of its implications with each of the institutions concerned during the autumn of 1976. In its recommendation for bilingualism grants in 1976-77, Council has simply attempted to strike a balance between present uncertainty and a felt need to accord some benefit of doubt to all institutions and to the University of Ottawa particularly. But it should be clearly understood that the future level and distribution of bilingualism support remain open questions, and that downward revisions, whether indicated by policy analysis, cost analysis or both, are no less genuine a possibility than enrichment.

#### **Ontario College of Art**

Prior to 1975-76 the Ontario College of Art received grants derived through selective adaptations of elements contained in the Operating Grants Formual. The adaptations assisted the College in recovering from a situation described in its own words as "massive chaos." Thus, for example, the base used in the calculation of the College grant was its anticipated enrolment for the granting year thereby abetting the process of recovery. Also, a student BIU weight of 1.3 was attained after due consideration of the state of College finances.

At its initial hearing with Council in the fall of 1974, the College documented admirable progress toward the resolution of its difficulties. In view of this, and recognizing that there remained a few important steps to full recovery, Council disregarded use of the formula elements already developed in favour of a marginally more generous grant. It was hoped that this measure would hasten recovery without prejudging the timing and level at which the College might be placed "on formula."

This fall the College presented Council with additional evidence of progress including elimination of the accumulated deficit, and an enrolment in 1975-76 which exceeds anticipations and more than recoups historical shortfalls. In light of this evidence, Council agrees with the College of Art that the transition to stability has been completed, and deems that beginning in 1976-77 the College should be funded through the direct application of the Operating Grants Formula including Council's recommended provisions with respect to enrolment averaging, with a BIU weight of 1.3 and a formula fee equal to the currently assessed College fee. Council recommends to the Minister:

#### OCUA 75-24

Transfer of Ontario College of Art Operating Support to Operating Grants Formula That beginning in 1976-77 the operating support for the Ontario College of Art be determined under the Operating Grants Formula, incorporating a student weight of 1.3 and a formula fee equal to the tuition fee assessed by the College.

Council has duly considered special requests submitted by the College of Art for a recurring rental grant of \$280,000 and a onc only grant of \$200,000 which would be used to adapt the rental space for College purpose These requests are in addition to the specia annual payment of \$50,000 made to the Col lege for property rental under an agreemen reached in 1972-73. Council believes that a recommendation for an additional rental or refurbishing grant in 1976-77 would be premature in a setting where the recently completed study of space at the College awaits full review, and where Government ar the university system are in need of new po icy in the capital realm. Council accordingly recommends to the Minister:

#### OCUA 75-25

Rental Grant to the Ontario College of Art, 1976-77

That a grant of \$50,000 be made to the Ontario College of Art for 1976-77 pursuant to the property rental agreement reached in 1972-73, it being understood that existing poicy with respect to money for taxes on lease property will obtain.

#### **Bar Admission Course**

In broaching the question of the level of support to be recommended for the Bar Admission Course in 1976-77, Council reiterates two basic points made in Advisory Memorandum 74-II. The first is that provincial polichas evidently been limited to supporting the Bar Admission Course through partial grant in-aid. The second, which relates to the particular costs associated with mounting the Bar Admission Course in Ottawa and Londo is Council's view that "the costs of a decentralization decision made on its merits by th Law Society should be borne by the Society."

In this context, Council observes that the Bar Admission Course currently shares with the university system the twin pressures of ir flation and enrolment growth. Given a polic of partial grants-in-aid, Council is disincline to calculate an adjustment in the current grant of \$350,000 by having recourse to the many elements that determine the calculatio of university grants. Council deems it suf-

### The Allocation of Funds Available for 1976-77

ient for 1976-77 to take general account of twin facts of inflation and Course enment growth by applying to the 1975-76 ant an adjustment similar to that accorded the Government of Ontario in its support the university system as a whole, namely out 15 per cent. Such an adjustement ould be contingent on the understanding lit the Government's commitment with reect to tuition fees in 1976-77 applies to Bar Admission Course fee for the reasons lit Council discussed in Advisory Memodum 74-II. Council notes that the spokesn for the Law Society of Upper Canada h whom it met indicated that fee increases re not currently under consideration. In the cumstances, Council recommends to the nister:

CUA 75-26
Int to the Law Society of Upper Canada,
76-77

fat, on the explicit understanding that the Admission Course fee remains at the essent level in 1976-77, a grant of \$400,000 made to the Law Society of Upper Canada.

GFU and BIU Values Under the Government's Expenditure Target for 1976-77

The spending target referred to Council by the Minister for allocation in 1976-77 is \$637.5 million. Of this amount, \$10,340,000 is encompassed by the sum of Council's recommendations for supplementary, Northern and bilingual grants, for a rental grant to the Ontario College of Art, and for a grant-in-aid to the Law Society of Upper Canada. Council must allow a further \$2,476,000 for contingency and for funding of theology programs. As indicated in Table II, the remainder of \$624,684,000 is available for distribution among the fifteen provincially assisted universities, Ryerson, the Ontario Institute for Studies in Education and, pursuant to Council's recommendation 75-24, the Ontario College of Art.

This amount of \$624.7 million permits a GFU value of \$2,255 and a BIU value of \$2,312. The difference between these values reflects enrolment averaging in the undergraduate sector and the differential treatment Council in Advisory Memorandum 75-VI accorded to graduate as opposed to undergraduate funding. Council recommends to the Minister:

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# ullability of Funds For the Distribution of Graduate and Formula Grants Jer the 1976-77 Spending Target Referred to Council

pending Target Referred		\$637,500,000
Peduct		
Supplementary Grants	\$3,500,000	
Northern Ontario Grants	2,541,000	
Bilingualism Grants	3,849,000	
Ontario College of Art		
Rental Grant	50,000	
Bar Admission Course	400,000	
Sub-total	10.340.000	
Contingency and Theology		
Programs	2,476,000	
Total Deductions		12,816,000
able for Distribution of Graduate and		
ormula Grants		\$624,684,000

Distribution of Grants Generated by Recommendations III Advisory Memoralical 1974-17	is denerated by n	ecommendano 197	15 III AUVISOR	1976-77 BECOMMENDATIONS				
							1075_76	Dor
	Formula and Graduate Grants	Supplemen-	Northern Ontario Grants	Bilingualism Grants	Special Grants	Total Grants Recommended	Total Grants	Cent
Brock	10.325	100				10,425	9,011	15.7
Sarleton	33,453					33,453	29,027	15.2
Guelph	38,931					38,931	34,207	13.8
akehead	9.517	1.000	1,075			11,592	9,764	18.7
allrentian	8.932	750	1,085	719		11,486	9,725	18.1
Algoma	984		150			1,134	266	13.7
Ninissing	1.216		141			1,357	943	43.9
Hearst	270		06	23		383	305	25.6
McMaster	43.174					43,174	37,451	15.3
Ottawa	47.736			2,888		50,624	43,625	16.0
Queen's	42.714					42,714	37,647	13.5
Toronto	141.299					141,299	126,196	12.0
rent	6,107	1,650				7,757	988'9	12.6
Naterloo	47,955					47,955	41,625	15.2
Western	65,535					65,535	57,088	14.8
Wilfrid Laurier	11,240					11,240	9,302	20.8
Windsor	27,724					27,724	23,021	20.4
York	49,231			161		49,392	42,854	15.3
Ryerson	25,876					25,876	22,536	14.8
OISE	9,057					9,057	7,738	17.0
College of Art	3,408				50	3,458	2,900	19.2
Bar Admission					400	400	350	14.3
Sub-Total	624,684	3,500	2,541	3,791	450	634,966	553,198	14.8
Contingency & Theology	2,476			58		2,534	1,091	
Total	627 160	3 500	2 541	3 849	450	637.500	554.289	15.0

# 75-VIII Instructional Development

UA 75-27
Jand BIU Values Under the Government's nding Target for 1976-77
t the GFU value in 1976-77 be not less
1\$2,255 and the BIU value be not less than 312.

Table III, Council summarizes the end resof the allocation exercise undertaken in Memorandum by tabulating the individual ats accruing to each of the fifteen procially assisted universities, Ryerson, the ario Institute for Studies in Education, the ario College of Art, and the Bar Admission area. The percentage column on the right a side of the Table measures the increase stal grants recommended for each institutioner the total received in 1975-76.

Dupré Jirman Jary 31, 1976 The Ontario Universities Program for Instructional Development was initiated in late 1972 as a joint initiative of the Council of Ontario Universities and the Committee on University Affairs. The aim of the Program has been "to assist individual faculty members in Ontario universities and the universities themselves in improving the effectiveness and efficiency of their instructional processes." The Program assumed a catalytic role by promoting communication and information and by awarding modest grants to individuals and groups.

During the summer of 1975, the Instructional Development Program was examined by a team of evaluators chaired by Professor A. N. Main of the University of Strathclyde. The evaluators' report was received by the Council of Ontario Universities in the autumn, and that body in turn formulated plans for the immediate future of the Program.

C O U has basically accepted the evaluators' recommendation that the current Interim Committee on Instructional Development be replaced by a restructured Committee on Teaching and Learning. It proposes that this Committee retain a modest granting function in addition to the information and liaison roles recommended by the evaluators. To permit the new Committee to carry out its tasks, C O U has asked this Council to support its request for a three-year grant of \$500,000 per annum to begin in 1976-77.

To Council, the COU request is basically a plea to permit a restructured committee to carry on activities initiated by OUPID with the benefit of the constructive criticism offered by the evaluators' report. That report, however, notes specifically that "money coming from a small-scale, central program, while valuable and especially valuable in a crisis time, could never replace the reinforcement which would be given to educational innovation were it funded by the institution to which the faculty member owes his allegiance" (p.52). More generally, the report constitutes a plea to "shift the emphasis in Ontario from the original OUPID notion of direct assistance from some central source to individual members of faculty, towards a proper institutionalized force for improvement of teaching and learning throughout the province" (p.61).

Council recognizes that the functions envisaged by COU for its restructured Committee on Teaching and Learning will allow that body to continue the catalytic role played by OUPID in a setting where OUPID has led too short a life to permit the conclusion that such a role is no longer needed. But Council is concerned about the nature of the COU funding request. In Council's view, continued Government funding of a central program for instructional development should lead toward the shift desired by the evaluators. Indeed, it should forthrightly pose the issue of university involvement in instructional development through the direct application of their own resources. This surely is the acid test of the tangible benefits that adhere to instructional development, Accordingly, Council is disposed to modify the COU request by prescribing downward annual adjustments in a Government contribution to the Committee on Teaching and Learning. Council accordingly recommends to the Minister:

#### OCUA 75-28

Government Funding of Instructional Development

That the instructional development activities of the Council of Ontario Universities receive government funding at the following levels:

1976-77	\$500,000
1977-78	\$350,000
1978-79	\$200.000

Having made the above recommendation, Council joins C O U in expressing the wish that the first instalment of the grant be made available as expeditiously as possible.

J.S. Dupré Chairman

February 27, 1976

## CUA Public Meetings 975-76

	Organization and Place of Meeting	
/4/75	Trent University, Trent University	
/4/75	Campus, Peterborough York University, York University Campus, Toronto	
:/4/75	Ontario Federation of Students, Queen's Park, Toronto	
:/4/75	Ryerson Polytechnical Institute, Queen's Park, Toronto	
/4/75	University of Guelph, University of Guelph Campus, Guelph	
/4/75	Lakehead University, Lakehead University Campus, Thunder Bay	
/5/75	University of Windsor, University of Windsor Campus, Windsor	
/5/75	University of Western Ontario, University of Windsor Campus, Winds	or
/5/75	Laurentian University and affiliated colleges, Laurentian University Campus, Sudbury	
/5/75	Ontario Institute for Studies in Education, University of Toronto Campus, Toronto	
/5/75	University of Toronto, University of Toronto Campus, Toronto	
<b>/5/7</b> 5	Council of Ontario Universities, Queen's Park, Toronto	
/5/75	Ontario Confederation of University Faculty Associations, Queen's Park, Toronto	
/6/75	Queen's University, Queen's University Campus, Kingston	
/6/75	University of Ottawa, University of Ottawa Campus, Ottawa	
/6/75	Carleton University, University of Ottawa Campus, Ottawa	
/6/75	University of Waterloo, University of Waterloo Campus, Waterloo	
/6/75	Wilfrid Laurier University, Wilfrid Laurier University Campus, Waterloo	)
/6/75	Confederation of Ontario University Staff Associations, Wilfrid Laurier University Campus, Waterloo	
/6/75	Brock University, Brock University Campus, St. Catharines	
6/6/75	McMaster University, Brock University Campus, St. Catharines	
12/75	Ontario College of Art, Ontario College of Art Campus, Toronto	
12/75	Law Society of Upper Canada, Ontario College of Art Campus, Toronto	
	π	

Institution or

# OCUA Recommendations and Government Responses, 1975-76

Recommendation		
Number	Title	Response
	(Advisory Memorandum 75-I)	
75-1	Master's Program in Speech Pathology and Audiology at the University of Western Ontario	Accepted
	(Advisory Memorandum 75-II)	
75-2	Ministerial Announcement with Respect to the Possibility of Revisions whereby the Operating Grants Formula might become less Sensitive to Enrolment Changes	Accepted
	(Advisory Memorandum 75-III)	
75-3	Ontario Graduate Scholarship Program Eligibility	Partially Accepted:
75-4	Integrated Stipends for Ontario Graduate Scholarship Awards	See Minister
75-5	Ontario Graduate Scholarship Stipends in 1976-77	\ letter of
75-6	Adjustments in Earnings Limitations Applied to Holders of Ontario Graduate Scholarships	October 7, 1 which follow this table.
	(Advisory Memorandum 75-IV)	
75-7	Lifting of Embargoes on Disciplines in which Planning Studies have been Completed	Partially Accepted:
75-8	Funding of New Graduate Programs	See Minister letter of July 1975 which follows this table
	(Advisory Memorandum 75-V)	
75-9	Suspension of the Formula with Respect to the Funding of Graduate Work	Accepted
	(Advisory Memorandum 75-VI)	
75-10	Basic Government Objectives in Funding the Operation of the University System in 1976-77	
75-11	Supplementary Government Objective in Funding the Operation of the University System in 1976-77	See Minister'
75-12	Expenditure Level for 1976-77 to Meet the Cost of Basic Objectives in Funding the Operation of the Provincially Assisted Universities, Ryerson and the Ontario Institute for Studies in Education	December 12 1975 which follows this
75-13	Expenditure Level to Subscribe to Financial Viability in the University System	table.
75-14	Expenditure Level for 1976-77 on Behalf of Special Institutions and Policy Matters	
75-15	Level of Support for Cyclic Renewal in 1976-77	Accepted
	(Advisory Memorandum 75-VII)	
75-16	Distribution Mechanism with Respect to the Funding of Graduate Work in 1976-77 and 1977-78	Accepted
75-17	Master's Program in Watershed Ecology at Trent University	Accepted
75-18	Distribution Mechanism with Respect to Formula (Undergraduate) Grants in 1976-77	Accepted

Distribution Mechanism with Respect to Formula (Undergraduate) Grants in 1977-78	Accepted
Supplementary Grants to Lakehead, Laurentian and Trent, 1976-77	Accepted
Terminal Supplementary Grant to Brock University, 1976-77	Accepted
Northern Ontario Grants, 1976-77	Accepted
Bilingualism Grants, 1976-77	Accepted
Transfer of Ontario College of Art Operating Support to Operating Grants Formula	Accepted
Rental Grant to the Ontario College of Art, 1976-77	Accepted
Grant to the Law Society of Upper Canada, 1976-77	Accepted
GFU and BIU Values under the Government's Spending Target for 1976-77	Accepted
(Advisory Memorandum 75-VIII)	
Government Funding of Instructional Development	Accepted
	Grants in 1977-78  Supplementary Grants to Lakehead, Laurentian and Trent, 1976-77  Terminal Supplementary Grant to Brock University, 1976-77  Northern Ontario Grants, 1976-77  Billingualism Grants, 1976-77  Transfer of Ontario College of Art Operating Support to Operating Grants Formula  Rental Grant to the Ontario College of Art, 1976-77  Grant to the Law Society of Upper Canada, 1976-77  GFU and BIU Values under the Government's Spending Target for 1976-77  (Advisory Memorandum 75-VIII)



Office of the Minister Ministry of Colleges and Universities 416/965-7625

Mowat Bloc Queen's Pa Toronto On

July 22, 1975

Dear Steve:

I have received your Advisory Memorandum 75-IV on Graduate Programme Planning and have given it careful consideration.

I appreciated receiving the Council's thoughtful and constructive memorandum. We share your view that a planning process which takes into consideration the public interest is essential. The Council, in adopting the format of discursive advisory memoranda, has raised questions of considerable importance.

This area can now be viewed with a new perspective since most of the assessments have been published. Before responding to your specific recommendations, I would like to express some general views about the results of the graduate planning process. Two sets of goals were included. The Government funded half the cost of the ACAP process in the expectation that graduate program offerings would be rationalized and unnecessary duplication would be eliminated while at the same time ensuring a spectrum of offerings across the system. The universities were concerned that a high quality of graduate offerings be maintained.

Your memorandum points out solid accomplishments in terms of self-evaluation, inter-university co-operation and the development of common high standards for graduate work, with which I fully agree. I am pleased to have your Council's assurance on matters of this kind and importance.

At the same time, now that the results are largely in, it is apparent that in numerical terms the process is not adequately rationalizing graduate programs. This is disappointing in terms of Ministry objectives and expectations.

According to COU's first report on implementation of ACAP reports, in the fifteen disciplines assessed to date only 3 Master's and 6 Ph.D. programs of the 236 existing and 30 proposed programs have been or may be closed or will not be started. Another 9 Ph.D. programs which were recommended to be phased out may be retained as "specialized" programs if successfully reappraised.

The current three-year plans for graduate development propose 108 new programs. Some serious priority setting and concern for financial implications which Council calls for in its Memorandum are now needed.

By now all universities should be aware that the Provincial Government faces a financial future which allows for little or no expansion and indeed requires difficult decisions and trade-offs between various academic goals and activities. As the third largest recipient of funding from the Provincial Government, universities must recognize this reality in their internal planning.

I am hopeful, therefore, that the universities can use the information and experience acquired through ACAP to make the collective decisions necessary to produce more rational graduate plans.

Our concern is not qualitative judgements of the merits of individual programs but rather about the range and distribution of programs within the system having regard to factors such as overall system size and existing strength and resources. We are concerned about how many programs can be supported and sustained in any discipline. We then expect the universities to decide which institutions should offer the programs. Judgement on academic grounds alone may incur a financial burden which the Province cannot afford to bear. Beyond this, and at the risk of getting somewhat into the question of internal resource allocation within institutions, I must of necessity seek assurance that the development of graduate programs in the Ontario system does not occur at the expense of support for other university responsibilities. I hope that you encourage the universities to take the

admittedly difficult decisions in determining the number and location of graduate programs in such a way as to ensure both high quality programs and a good balance of resource allocation.

On the matter of Council's recommendation 75-7 I accept the recommendation for all disciplines except Physical Education, Kinesiology and related areas, which, as your report implies, requires further study within the Government. In this area there are some significant implications for the Ministries of Health, Education, and Culture and Recreation. In addition, the universities' own capital submissions indicate a requirement for considerable capital facilities in this area. For these reasons, I must withhold any removal of the embargo pending the outcome of discussions within the Government.

Despite our reservations about the numerical results of the planning process, I believe it would be inequitable not to lift these embargoes since this has been done for nine previous disciplines which contribute equally to the situation.

As a consequence of accepting this recommendation, I ask Council to ensure that continued efforts are made to rationalize new and existing programs. This appears to be in line with your Memorandum. To effect an integration of decision-making, graduate policy should be reviewed once a year as Council suggests. Although proposed programs may have been favourably received in an assessment and included in a three year plan, this should not automatically mean that funding be recommended or approved. This should afford Council the opportunity to ensure that its concerns about the impact of new graduate programs on the financial position of the university system are fully satisfied.

In order to assist you in the process I am today asking the universities to prepare new three year plans which reflect revised aspirations. My officials will consult with OCUA, COU, and the universities as appropriate on the form the new plan should take.

As you know, funding was extended on an interim basis to many of the programs listed in OCUA 75-8. I shall accept your recommendation that these programs be considered eligible for formula funding. Effective today, consideration of funding for further new programs will be deferred pending receipt of the results of Council's first annual graduate program review exercise.

Concerning the matter of recommending BIU weights for those new programs which do not have one assigned, I would appreciate it if Council would make this an integral part of its program approval exercise. BIU weights are the cornerstone of the formula system and changes can have a significant redistribution effect. Thus, they are a legitimate concern of the Council. Art Conservation at Queen's will be funded when a weight has been recommended and approved.

If the public interest is to be served, the result of the planning process should be a spectrum of programs of the highest quality accomplished within the limits of the Province's resources. Universities may have to identify particular segments of graduate work in which they excel so that institutional strengths can be co-ordinated into a collectively strong system.

I am pleased that Council has accepted the challenge of participating in the planning process in a manner which will ensure the development of a graduate system which meets the objectives of both the universities and the Government.

Yours sincerely,

James A. C. Auld Minister

Dr. J. S. Dupre Chairman Ontario Council on University Affairs 801 Bay Street 2nd Floor Toronto, Ontario



Office of the Minister Ministry of Colleges and Universities

416/965-7625

Mowat Bloc Queen's Par Toronto Ont

October 7, 1975

#### Dear Steve:

I was pleased to receive the Ontario Council on University Affairs Advisory Memorandum 75-III concerning the Ontario Graduate Scholarship Program 1976-77 and I am sorry I have not been able to respond earlier. With regard to the individual recommendations, I would like to advise you of certain decisions.

#### Recommendation 75-4

I am pleased to inform you that this recommendation has been accepted.

#### Recommendation 75-6

I am pleased to inform you that this recommendation has been accepted.

#### Recommendation 75-5

I am pleased to inform you that the government has accepted the Council's recommendation to increase the integrated stipend, while maintaining the number of available scholarships at up to 1,000. However, because of continuing economic stringency, it has not been possible to raise the stipend to the amount suggested by Council. The integrated stipend will be increased to \$1,250 per term from the present value which ranges from \$800 per term to about \$1,135 per term, depending on the actual fees charged the student.

This increased stipend will provide a graduate student with \$3,750 over a full year of full-time study. While this stipend may not meet all maintenance and other costs, the program has never claimed to do this. From its inception, the program has envisaged Ontario graduate scholars being awarded teaching or research assistantships in addition to these scholarships and the earnings limitations laid down have been generous to reflect this fact.

#### Recommendation 75-3

I regret that it is not possible for the government to accept the Council's recommendation at this time. As the Council may be aware there is considerable public discussion in Ontario and across the country arising in large part out of the Federal Government's current review of immigration policy. I trust that the Council will agree that it may be more appropriate to consider any adjustments in programs pertaining to the eligibility of landed immigrants after the Federal Government has completed its review of the Immigration Act. At that time, it will be possible for the Council and the government to formulate recommendations and policies in the light of possible adjustments in policies and regulations set down by the Federal Government. Certainly, the situation will be more stable at that time and we will have a better grasp of the long term prospects.

In the meantime, the government has decided that student visa holders should be ineligible for Ontario Graduate scholarships. However, in order to be as fair as possible, it has directed that visa students holding scholarships in 1975-76 be allowed to complete for scholarships in 1976-77. The elimination of student visa holders will mean that the number of scholarships available to landed immigrants will increase to the full 10% of total awards available to non-Canadian students.

Yours sincerely,

Dames A.C. Auld Minister

Dr. J.S. Dupre Chairman Ontario Council on University Affairs 801 Bay Street 2nd Floor Toronto, Ontario



Office of the Minister Ministry of Colleges and Universities

416/965-7625

Mowat Bloc Queen's Pa

Toronto On

December 12, 1975

Dear Dr. Dupre:

Further to my note of November 26, 1975, I am pleased to be able to respond to you now on the recommendations concerning operating and capital funding for the universities contained in OCUA Advisory Memorandum 75-VI.

As you are aware, the global funding approach has been used by the government for allocating resources to its major program areas. For 1976-77, the total amount to be made available to university operations will be \$651 million. This amount is to be applied to the following areas:

		\$ Million	% Inc.
-	Operating grants to be distributed in accordance with OCUA recommendation	637.5	15.0
	Items under Ministry		
	budget review	13.5	-8.8
		651.0	14.4

I would like to request Council's advice on the distribution of the \$637.5 million stated above.

Because this amount is very close to that in Advisory Memorandum 75-VI, I believe that it meets substantially the recommendations made by Council. Furthermore, I feel confident that this level of funding will permit the universities to meet the challenges imposed by the current period of financial constraint.

You will note that the year to year increase in the funds allocated for Council distribution is 15% compared to a decrease of 8.8% in line budget items of the Ministry. In light of the overall financial situation, I am sure you will appreciate the significance of the level of support being provided.

Finally, funds in the amount of \$11.8 million will be made available in 1976-77 for building renewal, repairs and maintenance projects.

At this time, I would like to thank Council for the work it has done in preparing this Advisory Memorandum and I look forward to receiving your Advisory Memorandum on the matter of funding distribution.

Harry Parrol.

Harry Parrott, D.D.S.

Dr. J. S. Dupre Chairman Ontario Council on University Affairs 2nd Floor, 801 Bay Street Toronto, Ontario





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1976-77

Ontario
Council on
University
Affairs

Third Annual Report



# Ontario Council on University Affairs

Third Annual Report March 1, 1976 to February 28, 1977

801 Bay Street, Second Floor, Toronto, Ontario M5S 1Y7

March, 1977



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## **Letter of Transmittal**



Ontario Council on University Affairs 416/965-5233
2nd Floor,
801 Bay Street,
Toronto, Ontario,
M5S 1Y7.

February 28, 1977

The Honourable Harry Parrott D.D.S., Minister of Colleges and Universities, 6th Floor, Mowat Block, Queen's Park, Toronto, Ontario.

Dear Mr. Minister:

I respectfully submit herewith the Third Annual Report of the Ontario Council on University Affairs for the year that began March 1, 1976 and ended February 28, 1977.

The submission of this Report marks the end of my term as Chairman. Permit me therefore to express my warmest sentiments of gratitude to the countless individuals whose courtesy and kindness were so generously extended to me throughout the last three years. To you and your predecessor, to the officials of your Ministry and those of the Council of Ontario Universities, to the executive heads of the institutions, their senior colleagues and their financial officers, I am profoundly indebted.

Above all, I salute the truly remarkable men and women who served as members of Council and of its staff. Their wisdom, devotion and support were beyond measure.

Finally, may I record my particular indebtedness to the superlative public servant who, on secondment from the Ministry of Treasury, Economics and Intergovernmental Affairs, occupied throughout my term the key Council position of Executive Secretary and Research Director. To J. Peter Venton I owe more than words can convey.

I have the honour to be, Sir,

Yours very truly,

J. Stefan Dupré, Chairman.

# Members and Officers of the Ontario Council on University Affairs 1976-77

Rt. Rev. Walter E. Bagnall (1979)

Hamilton

Norma V. Bowen (1978)

Guelph

Mary Butler Bush (1979)

Ottawa

Antoine D'Iorio (1977)

Ottawa

J. Stefan Dupré (1977) Chairman

Toronto

James D. Fisher (1977)

Toronto

Reva Gerstein (1979)

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Kingston

William A. Goyan (1977)

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Alexander L. McCallion (1977)

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Alan K. McDougall (1978)

London

Members' terms expire on February 28th of the year indicated in parentheses

J. Fraser Mustard (1978)

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Margaret F. Orange (1978)

Sudbury

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H. Harold Walker (1979)

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William C. Winegard (1978) Vice-Chairman

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John R. Yarnell (1977)

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J. Peter Venton

Executive Secretary and Research Director

Nancy E. Simmons Associate Secretary

Ronald N. McDougall Senior Research Officer

Richard S. Zulik

Research Officer





## Introduction

The Third Annual Report of the Ontario Council on University Affairs is for the year that began March 1, 1976 and ended February 28, 1977. Like its predecessors, the present Report contains the full text of all advisory memoranda issued in the year concerned.

The introductory section of its annual report has come to be regarded by Council as a convenient platform from which to share with Government, the university community and other interested readers some general observations on selected matters of significance to the future of the Ontario university system. The Introduction to the present Report is devoted in its entirety to a consideration of full-time undergraduate enrolment levels and their implications for the system over the coming ten to fifteen years. It builds upon some initial comments on the subject offered by Council at the beginning of its Second Annual Report. These comments received instructive reactions from the university community, reactions which were folded in turn into Council's staff work and deliberations during the last year.

Council's focus on full-time undergraduate as distinct from total enrolment stems from several practical considerations. The matter of graduate enrolment is closely linked to the university system's well developed process of graduate program planning and as such involves quite distinct exercises in which Council has been formally involved from its beginning. As for part-time enrolment, its future is less immediately exposed to currently observable demographic forces than full-time undergraduate enrolment. Finally, there is widespread agreement within the university community that, for the time being, full-time undergraduate enrolment is the most significant source of pressure on existing faculty, staff and physical facilities.

Council proceeds to disclose the current state of its reflections on full-time undergraduate enrolment in the following sequence:

- 1. The present capacity of the university system to absorb additional enrolment.
- 2. Some alternative forecasts of future enrolment growth.
- 3. The extent to which enrolment growth is in the long-run interest of the university system.
- 4. The possibilities whereby enrolment growth might be contained.
- 5. The extent to which Council's own stance can contribute to the predictability and stability of Government funding of the university system in the face of the uncertainty that surrounds changing enrolment levels.

The Question of System Capacity

In Ontario, the phrase "accessibility for all qualified applicants" has been anything but an empty slogan. It has captured the essence of a major policy commitment by Government. Fourteen of the fifteen universities in the Province, five of them created *de novo*, owe their status as publicly assisted universities to the seriousness with which Government has pursued this commitment in recent decades. Every institution that falls under Council's terms of reference has a physical plant whose present size is an offshoot of this commitment.

The active pursuit by Government of "accessibility for all qualified applicants" must be understood in the context of two specific points. First, what constitutes a "qualified" applicant has been left for each university to determine in the context of each of its programs. Second, it has always been understood that no applicant is entitled to a place in the program or institution of his or her choice. What is envisaged is that a qualified applicant will be able to find a place in some program at some institution in the province. Over time, admission to many programs at many institutions has become highly selective. This holds throughout the province for undergraduate programs in such professional fields as Dentistry, Law and Medicine. Furthermore, a growing number of universities have reached what they

consider to be the outer limits of their institutional capacity. In such "steady state"

institutions, accessibility to all programs is strictly limited.

The imposition by Government in 1972 of a moratorium on capital grants for most kinds of new construction in no way signalled the abandonment of the pursuit of "accessibility for all qualified applicants". Rather, it indicated simply that this objective would now be pursued in a context of what was deemed to be a degree of surplus physical capacity in the university system as a whole. Given the existence of surplus capacity, it would remain possible for a qualified applicant to find a place in some program somewhere in the system. So long as this circumstance held true, the minimum qualification for admission to some program somewhere in the system would not need to exceed the general level of academic achievement long associated with public expectations of admissibility, namely an Honours High School Graduation Diploma or its equivalent with an average of sixty per cent.

From all this there flows a question of substantial relevance to policy. Does the university system still have surplus physical capacity and if so how much? To ask about surplus capacity is, of course, to pose a question of relative measurements. By what standards of space utilization is it possible to say that unfilled student places exist? A byproduct of the moratorium is that data on space inventory and its relationship to what have been deemed suitable space standards have not been kept up to date. Were the data at hand, they would undoubtedly reveal that certain institutions have reached enrolment levels that already place them well below these standards. The extent to which space standards can be reduced to accommodate yet additional enrolment would therefore not only be relevant in principle but observable in practice. Within certain limits, so-called "shoe-horning" of additional students lies in the realm of the feasible.

It is highly desirable that data on current enrolment levels in relation to the space standards of the Interim Capital Formula and the *Building Blocks* of the Council of Ontario Universities be brought up to date, and soon. Not only will this shed needed light on the current state of the system; it will permit a process whereby, in full consultation with institutions both individually and collectively, some educated estimates can be made of the additional student places that either remain available or could be made temporarily available by measures of short-term expediency.

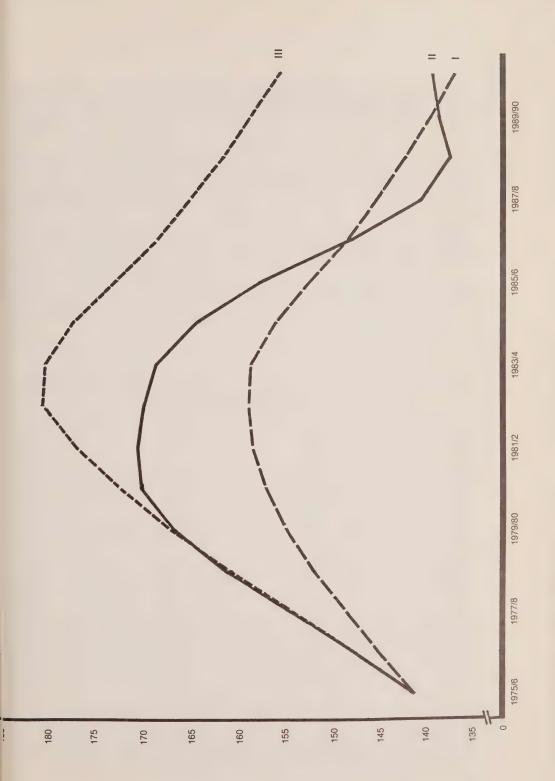
At present, Council possesses only the barest notion of the additional student places that the university system can make available within its present physical capacity. This notion was derived from conversations with senior officials from each institution in which the respondents were asked to give their best guess of the number of extra places that their physical plant might permit by program. Several spokesmen considered their institution already at its limit or capable of accommodating at most a few hundred additional students. Over-all, however, Council gained the impression, which it hereupon conveys for discussion purposes only, that the university system in its current physical configuration may be able to accommodate some 8,000 additional full-time undergraduates. Of these 8,000 places, some 4,000 are in Arts taken as embracing the humanities and social sciences, about 2,400 are in Science, another 1,200 are evenly divided between Business and Engineering, and the remainder are either unspecified or in other undergraduate programs.

Because Council's best estimate of current full-time undergraduate enrolment is 147,000, the additional 8,000 places it has identified for discussion purposes indi-

cate a system-wide physical capacity of 155,000 full-time undergraduates.

**Forecasting Enrolment Growth** 

In quest of alternative enrolment projections during the last eighteen months, Council has sifted the forecasting efforts of others and undertaken ventures of its



own. It will continue to do so as a matter of course. For the purpose of the present exercise, Council has chosen to focus upon three forecasts that enable it to sketch an equal number of distinct enrolment levels that the future might have in store for the university system as a whole. The possible enrolment levels to the year 1990-91 are depicted in Chart 1 and are respectively labeled Forecast I, Forecast II and Forecast III, all of which are explained in the Appendix to this Introduction. The point of departure for each forecast is the 141,529 full-time undergraduates officially reported in 1975-76 as eligible for funding in all programs except theology.

Forecast I. This is a "constant participation rate" forecast. Under this forecast, full-time enrolment reaches a peak of 158,900 in 1982-83 and falls to 137,000 in 1990-91.

Forecast II. This is a "current rate of flow" forecast. Under Forecast II, enrolment reaches a peak of 170,500 in 1981-82 and falls to 137,500 in 1988-89.

Forecast III. This is a "differentiated male-female participation rate" forecast. As such it takes direct account of a singularly important phenomenon, shown in Table 1, namely an unbroken annual rise in the participation of female full-time undergraduates as a percentage of the female 18 to 24 population age group. Forecast III produces a peak enrolment of 180,400 full-time undergraduates in 1982-83 before declining to 155,500 in 1990-91.

Table I

Historical Full-Time Male and Female Undergraduate Enrolment in Ontario as a Percentage of the Corresponding Male and Female 18-24 Age Groups
1960-61 to 1975-76

Year	Male	Female	Total
1960-61	8.09	2.74	5.39
1961-62	8.70	3.10	5.88
1962-63	8.85	3.42	6.12
1963-64	9.16	3.71	6.42
1964-65	9.63	4.11	6.86
1965-66	9.94	4.49	7.21
1966-67	10.83	5.17	8.01
1967-68	11.43	5.69	8.57
1968-69	12.53	6.46	9.50
1969-70	13.71	7.26	10.48
1970-71	14.48	8.00	11.23
1971-72	15.14	8.98	12.06
1972-73	14.57	9.01	11.80
1973-74	14.63	9.47	12.07
1974-75	14.63	10.42	12.54
1975-76	14.69	11.15	12.93

The three forecasts portrayed in Chart 1 have been selected for presentation because of the evidently distinct enrolment scenarios they convey. If zero growth is contemplated as an additional alternative this, together with the three forecasts, comes close to encompassing all possible eventualities. Higher enrolment than that projected under Forecast III remains a possibility, but this forecast can none-

theless be taken as approximating the reasonably outer limits of enrolment growth. The enrolment levels it portrays closely parallel the results of an alternative set of projections geared to rising rates of flow and shown in the Appendix to this Introduction.

**Enrolment Growth and the University System** 

Given the possibility that the university system, in its current physical configuration, has a total capacity for 155,000 full-time undergraduates, the peaks reached by the forecasts just described permit the following straightforward observations with respect to the next half-dozen years.

(i) At any level of enrolment growth below that portrayed by Forecast I, there is no significant space problem on a system-wide basis. Even were the peak demand projected by Forecast I to materialize (158,900), this number could probably be accommodated within the present physical plant with, if necessary, a few auxiliary measures of a temporary nature.

(ii) If enrolment growth approximates the levels indicated by Forecast II, the university system is rapidly approaching a serious deficiency of up to 15,000

student places.

growth was in the public interest.

(iii) At the enrolment levels sketched by Forecast III, the system's space deficiency exceeds 25,000 student places and assumes truly critical proportions.

Beyond the next half-dozen years, all three forecasts permit a common observation that is equally straightforward. This is that enrolment decline follows in the wake of enrolment growth. That a pattern of growth and decline is sketched by Forecast I, II, III and, for that matter, by virtually all other forecasts developed or examined by Council, is explained simply by the underlying forces of demography. The significance of these forces greatly complicates what might otherwise be a straightforward debate about the merits of allowing the university system to grow. Growth to what promised to remain a new plateau is one thing; growth as a prelude to decline is quite another.

The Question of Growth to a New Plateau. If the Ontario university system faced a prospect of near-term growth to an eventual plateau, the question of whether further expansion was in the interest of the system could probably be answered quite easily in the affirmative. The internal aims and objectives of a number of institutions remain open to enrolment growth. Furthermore, it is widely recognized that enrolment growth permits flexibility in institutional resource allocation and eases the process of any of a number of internal adjustments, whether intended to widen the range of programs, enhance the quality of existing offerings or generate gains in efficiency. In such a setting, the question of whether further enrolment growth is in the interest of the university system would likely be quickly resolved so that debate could then focus on whether Government funding of such enrolment

That debate would be simplified in turn were the prospect simply that of funding the university system to what promised to remain its new enrolment plateau. The capital facilities required at the peak of Forecast II would involve an outlay of the order of \$150 million in current dollars. Cumulative estimates of the additional operating grants required to fund enrolment growth to its new plateau of 170,000 would range from \$190 to \$270 million in current dollars. This range involves different assumptions about how soon the recent discounting of growth by an "excess capacity factor" would have to give way to a return to full growth funding and how long such full funding would have to be maintained. If the enrolment peak of 180,000 in Forecast III is substituted for that of Forecast II, the comparable outlay for capital facilities is \$250 million and the additional operating grants to

fund growth range from \$260 to \$400 million. As a contrast to either of the above, it

can be estimated that Forecast I likely has no consequence for capital outlays and that the additional operating grants for growth range from \$75 million if excess capacity discounting remains unchanged, to \$150 million if full funding is restored within two or three years.

Always in a setting where the forecast growth led to a new enrolment plateau, the debate on whether the additional public funding of such growth was in the public interest could take the readily calculable cost estimates as their starting point. From here, the questions would involve whether the projected expenditures were within the fiscal capacity of the province, whether the production of the additional graduates, by stated category of manpower need, was economically justifiable, and whether broad social values were still well served by maintaining a broadly accessible university system.

The Issue of Growth as a Prelude to Decline. The very ground shifts from under this hypothetical debate by the fact that enrolment forecasts project not growth to a new plateau but growth as a prelude to decline. With this kind of prospect, it is anything but prudent to assume that further growth is in the interest of the university system. By that very token, what is in fact in the public interest must be reassessed.

With respect to capital facilities, the construction of additional plant is neither in the university nor in the public interest if its legacy is a set of monuments to embarrassment and inflexibility. As for funding the operating costs associated with growth, Government and the universities face nothing short of an outright dilemma.

The dilemma begins with the universities, their expectations and their traditional practices. Traditional practices in the employment of faculty are geared to expectations of enrolment levels sufficient to sustain long-term commitments. However, to the extent that enrolment growth is but the prelude to decline, additional faculty appointments under traditional practices involve a long-range investment to meet a temporary need. To enter into such long-term commitments in the face of enrolment decline is to court institutional chaos and in its wake the disintegration of scholarship. If this flies in the face of the university interest, the public interest is not far behind. It is surely not in the public interest for Government to fund short-term growth in a manner that invites commitments whose longitude has little prospect of being sustained. Government retains the right to decide that the accommodation of additional enrolment remains in the public interest. If it does so, however, it must temper its decision with long-run considerations lest the public interest be confused with passing fancy.

This raises what to Council must be a central theme in the debate on public funding of further enrolment growth. Operating grants that finance additional growth generated by the continuation of current accessibility policy must be accompanied by a willingness on the part of the university community to revise traditional employment practices. At the same time, because these practices cannot be revised fully if scholarship is to be served, such grants must also come to imply a Government commitment to protect the revenues of the university system from too sudden and drastic a decline in the event of an enrolment downturn. The ground on which Government and the university system may be induced to meet with respect to this issue is that where the university system undertakes further growth at less than full funding in return for subsequent adaptability grants in a phase of decline. The stabilization inherent in this approach stems from more than the advent of financial support in the decline phase. It is produced as well by the very fact that less than full funding during the growth phase automatically restricts the volume of long-run commitments into which universities can enter. There is a point, of course, where such restriction generates consequences that are unacceptable in terms of quality, even for a short period. That point is no less real

for the fact that it is elusive in quantitative terms. It demands the most earnest consideration of the possibilities whereby growth in the university system might be contained.

**Containing System Growth** 

Enrolment forecasts are projections, not prophecies. There are many reasons why enrolment growth might in fact fail to reflect the scenarios outlined in Council's enrolment forecasts. Some might be generated by the economic environment, others by the behaviour of the university system and yet others by Government policy.

Many economists share the view that the outlook for the coming three decades is for reduced growth in employment opportunities for university graduates, and with it a fall in the income and status rewards that have been associated with university training. Fragmentary evidence of this phenomenon is already at hand. The consequence for enrolment develops at the point where potential students perceive that the market for university graduates has deteriorated, and accordingly forego university attendance as a route to career employment. At this juncture, the "invisible hand" of the marketplace will become a potent factor in containing enrolment growth.

With respect to the enrolment peaks that demography has in store over the next six years, it is an open question whether the "invisible hand" will exert its dampening influence. Much depends on whether evidence of a softer market for university graduates continues to accumulate and on the rate at which this evidence is perceived by potential students. A not unlikely but no less disturbing scenario is that the perceptions will not set in until the period of demographically projected enrolment decline has begun. This could precipitate the rate of enrolment decline and place that much greater a premium on measures to stabilize the university system.

Economic forces are such that they can have the effect not only of accentuating long-term decline but of accelerating growth in the short run. This seeming paradox arises from the fact that while a long run reduction in the growth of employment opportunities for university graduates can reduce enrolment growth, cyclical unemployment in the near term can increase the attractiveness of university attendance as an option to joblessness. Economic considerations accordingly yield little comfort with respect either to containing growth in the short run or stabilizing enrolment in the long run. They do, however, yield two observations of practical relevance to the posture of Government and the university system.

The first is that both Government and the university system should be wary of "overselling" the economic advantages of university training. It is a common observation that such overselling was characteristic of the nineteen sixties and that it is now increasingly held in check. Both the honesty that is due to prospective students and the university and governmental interest in containing growth will be served to the extent that the potentially changing economic climate for university graduates is made known.

The second observation is that unemployment can frustrate educational measures designed to offer alternatives to full-time university study. The further development of an open university sector and of part-time programs are cases in point. Both beckon as means of relieving pressure on full-time enrolment growth. Both rely for their success, however, on the existence of work opportunities that will fill the balance of time that is not taken up by part-time study.

If full-time enrolment growth is to be contained, Government has every reason to press forward with the development of alternatives to full-time university attendance, including full-time industrial training, in the context of a general economic

policy that vigorously pursues full employment. It remains for the university system not only to avoid "overselling" its product, but to continue to assess searchingly the extent to which it remains faithful to academic standards in an educational environment all of whose components, including primary and secondary schools, are currently in a process of self-examination. Marginal changes either in admission standards or in requirements for in-course academic standing can have a dampening impact on enrolment growth.

If Government's accessibility policy is to be maintained, however, it is important to distinguish between changes in academic standards that might occur for academic reasons and those that flow in the wake of enrolment numbers that approach system capacity. In fairness to Government, the university system will have to communicate clearly the extent to which changes in standards flow from excess numbers as distinct from academic motivations. Only thus can Government

gauge the extent to which its accessibility policy is in jeopardy.

To Council, the maintenance of current accessibility policy has the following

essential implications:

(1) The funding of enrolment growth must not be confused with the funding that enables the university system to cope with inflation and the maintenance of existing levels of service.

(2) The funding of enrolment growth creates an obligation for Government to be sensitive to the need of the university system for a degree of fiscal stabilization in the event that enrolment decline should follow in the wake of growth.

Predictability and Stability: Coping with Uncertainty

Having issued its present message to Government and the university community, Council remains concerned about the extent to which its own stance can contribute to predictability and stability in Government funding of the university system under circumstances of uncertainty. With this prominently in mind, the points that Council addresses at this time to its own behaviour are six in number.

First, Council should continue until further notice to submit advice on global funding to permit the university system to offset inflationary trends and maintain existing levels of service. The content of this advice should be consistent with the techniques Council has applied in each of the last two years. The techniques have become well known to both Government and university system, and their consistent application gives Council's advice a needed measure of predictability.

Second, Council for 1978-79 at least should submit advice on the growth component of global funding that continues to be discounted by an excess capacity factor of 50 per cent. There is no evidence at this time that such discounted funding is placing Government's accessibility policy in jeopardy. Council's current estimate of full-time undergraduate enrolment in the university system is 147,000, about half way between Forecast I and Forecast II. Council is aware that a number of institutions were prepared in 1976-77 for higher enrolments than in fact materialized and takes this as indicative of a setting where the incremental costs of additional enrolment are sufficiently below average cost to warrant the discount featured in its funding advice.

Third, Council should offer from year to year early advice on the enrolment sensitivity of the operating grants formula. The degree of enrolment sensitivity will be consistent with the discounting of growth in Council's funding advice. For 1977-78, the lengthening of the enrolment average to three years was consistent with the funding advice applicable to that year. Advisory Memorandum 76- VII seeks like symmetry between global funding and allocation in 1978-79.

Fourth, Council's practice of discounting growth funding should imply a longer term obligation on the part of Government to protect university revenues from too

drastic a reduction if and when enrolment decline materializes. This is of critical importance not only to the stability of the system as a whole but to equity among institutions. The institutions that currently choose to grow and thus to serve Government's accessibility objective under discounted funding are the institutions that thereby can become most exposed to a downturn and therefore the most likely recipients of extra funds made available by the Government for stabilization.

Fifth, Council must scrutinize year by year the physical capacity of the system in relation to updated enrolment projections. Given the clear possibility that enrolment growth is a prelude to decline, Council should create no expectations whatever that capital grants might become available to fund buildings that would permanently add to institutional enrolment capacity, but should focus on alter-

native methods of securing space.

Sixth and finally, Council must immediately take conscious steps to look beyond the limited period, at most two or three years if forecast growth materializes, during which the funding of additional enrolment can remain discounted. Council now takes the first such step by inviting a debate on the following question. Beyond present system capacity, is it in the interest of Government and the university system to contemplate growth funding that departs radically from past practice by

being entirely outside the formula?

What Council has in mind is the possibility of extra-formula funding geared explicitly to the temporary challenge posed by accessibility policy in the peak enrolment years. Such funding could be in the form of specially earmarked grants awarded to designated institutions for a stated period of years. Alternatively, such funding could take the form of a contract between Government and individual institutions, or between Government and a consortium of institutions. The key point in either instance is temporary funding geared to a temporary situation and free of the long-term investment in human and physical capital that is implied by conventional university funding.

As Council invites reaction and dialogue on this question, it reaches for its histories of the Ontario university system. Who remembers the Ajax campus of the

University of Toronto? Plus ça change plus c'est la même chose?

**Appendix: Enrolment Forecasts** 

The point of departure for each of the forecasts depicted in Chart 1 is the 141,529 full-time undergraduates officially reported in 1975-76 as eligible for funding in all programs except theology. Included are all fifteen provincially-assisted universities together with their affiliates, as well as Ryerson, the Ontario College of Art, and the very small number of students with undergraduate funding status at the Ontario Institute for Studies in Education. The annual enrolment levels produced by each forecast are shown in Table A-1.

Forecast I. Because it is a "constant participation rate" forecast, Forecast I isolates the demographic forces currently at work on full-time undergraduate enrolment in Ontario. The number of full-time undergraduates enrolled in 1975-76 is taken as a percentage of the provincial population in the 18 to 24 age group in that year. The same percentage (or participation rate) is then applied to the forecast

number of 18 to 24 population in each year to 1990-91.

Forecast II. As a "current rate of flow" forecast, Forecast II is based on a combination of freshman intake and student transition that measures the flow of individuals through the university system, both calculated on the basis of current rates. The current rate of freshman intake is the 1975-76 intake as a percentage of Year 5 enrolment in the prior year. This rate is then applied to projected Year 5 enrolments for each succeeding year.

The transition rates are based on estimates of recent enrolment in each upper

program year. These estimates permit a calculation of the percentage relationship that enrolment in each of second, third and fourth year bears to enrolment in its corresponding freshman year. The resulting percentages constitute the current transition rates which are then applied to projected freshman intake to produce annual forecasts of upper year enrolment.

The combination of freshman intake and upper year enrolment yields the total

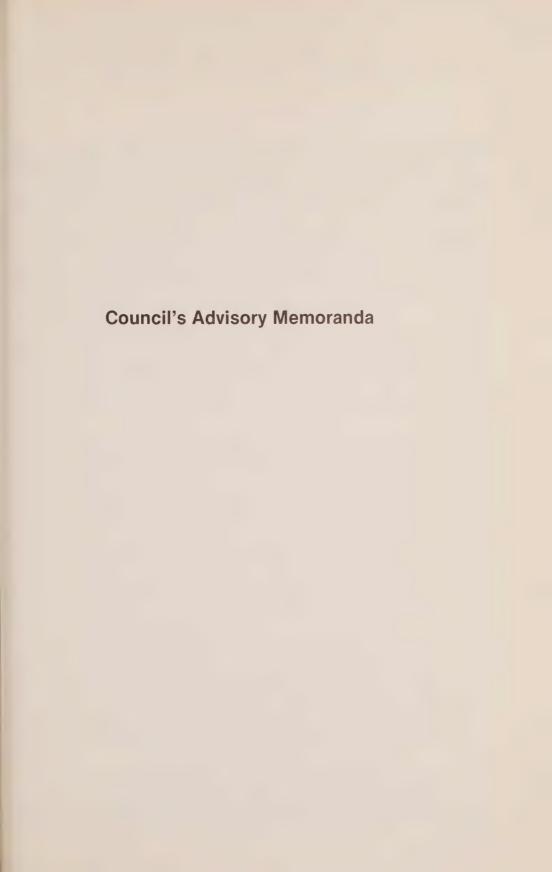
full-time undergraduate enrolment forecast for each year to 1990-91.

Forecast III. This "differentiated male-female participation rate" forecast takes explicit note of the different behaviour of male and female participation rates in the last fifteen years. Forecast III therefore indicates the full-time enrolment that results from allowing the female participation rate to continue its historical rise until it matches the male participation rate in 1982-83, and thereafter holding the participation rates of both sexes at a constant percentage of the relevant age groups.

It is interesting to note that the enrolment levels depicted by Forecast III do not vary materially from those produced from yet a fourth forecast developed by Council. This forecast returns to the rate of flow approach used in Forecast II, but projects upper year enrolment at rising rather than current transition rates. The amount by which transition rates are allowed to rise is based on estimates of their behaviour in recent years. The resulting annual enrolment levels are shown in the

final column of Table A-1.

Table A-1					
Alternative Enrolment Forecasts					
Year	Forecast I (000's)	Forecast II (000's)	Forecast III (000's)	Rising Rate of Flow Forecast (000's)	
1975-76	141.5	141.5	141.5	141.5	
1976-77 1977-78 1978-79 1979-80 1980-81	145.1 148.7 152.0 154.9 157.0	148.0 154.7 161.3 166.7 170.2	148.0 154.5 161.0 167.0 172.3	149.1 156.9 164.7 171.5 176.4	
1981-82 1982-83 1983-84 1984-85 1985-86	158.4 158.9 158.7 156.0 152.3	170.5 170.0 168.7 164.5 157.2	177.0 180.4 180.1 177.1 172.8	178.2 178.9 178.9 175.8 169.5	
1986-87 1987-88 1988-89 1989-90 1990-91	148.4 145.3 142.3 139.7 137.0	148.1 140.6 137.5 138.8 139.4	168.4 164.9 161.6 158.6 155.5	161.3 154.0 151.1 153.0 154.8	





## 76-I Correspondence Courses for Degree Credit

By letter to the Chairman dated May 29, 1975, the Minister of Colleges and Universities referred to Council the matter of Provincial funding of correspondence courses for degree credit. The Minister's reference was prompted by concern that correspondence courses remain an instrument for accessibility to high calibre degree programs, and by a perceived need to review the funding of such courses in the light of likely student demand in future years.

The number of correspondence courses currently offered for degree credit by Ontario universities is somewhat over 200. About half these courses are offered by the University of Waterloo. The University of Ottawa, Queen's University and the University of Western Ontario have a long tradition of correspondence course activity and, together with Waterloo, account for the bulk of correspondence course offerings in the Province. Correspondence courses have been an area of considerable educational innovation, for example in the use of visual materials and audio cassettes.

With respect to the development of correspondence courses at the undergraduate level, Council is firmly of the opinion that this should be the responsibility of the governing bodies of Ontario universities, subject only to the special regulations that normally apply to programs in the health sciences and certain other professional fields. In the realm of correspondence courses for graduate degree credit, the processes of governing bodies are supplemented by those of system-wide graduate planning under the auspices of the Council of Ontario Universities.

With respect to the likely level of demand for correspondence courses, Council's concern is not such as to warrant in-depth study of what amounts to a minor portion of the market for university services. From Council's vantage point, the pertinent perspective from which to view correspondence courses is the horizon of demand for university services in general. That horizon offers the near-term prospect of additional demand for student places until the mid-nineteen eighties. The longer run may witness lessened demand for full-time student places because of a reduction in the number of individuals in the 18 to 24 age group. Of relevance to part-time study, however, is the fact that the longer run produces substantial increases in the population age group of twenty-five years and older.

From this general perspective, it appears that, for the next half dozen years, correspondence courses offer a potential means of easing what in any event is bound to be appreciable pressure on the on-campus resources of the university system. As for the longer run, the pool of potential demand from those over twenty-five years of age is an expanding one that favours all forms of part-time study,

including correspondence courses.

Taking the above considerations into account and having reviewed points previously made by the Committee on University Affairs, Council views the role of Government as that of funding degree credit correspondence courses through the normal mechanisms that apply to all university programs. The development of correspondence courses and the standards applied are properly left to the universities in the framework of their general responsibilities for academic and fiscal self-management. To the extent that inter-institutional co-operation is desirable or necessary, this is a matter best assigned in the first instance to the prudent determination of the universities themselves and of the Council of Ontario Universities.

So that universities may proceed with their planning, what is desirable is to make it clear that correspondence courses for degree credit will simply be funded by Government in the exact manner that prevails either at the undergraduate or the graduate level. For 1976-77 and 1977-78, this leaves correspondence courses at the undergraduate level subject to the enrolment averaging techniques already

announced by the Minister, and at the graduate level subject to the temporary suspension of formula sensitivity to enrolment. It should be understood that future changes in formula funding will apply to correspondence courses for degree credit in the same manner as to all other programs. Within these ground rules, the development and management of the correspondence area are properly the responsibility of the institutions. Council accordingly recommends to the Minister:

#### OCUA 76-1

Government Funding of Correspondence Courses for Degree Credit
That, in accordance with the considerations laid out in this Memorandum,
correspondence courses for degree credit be eligible for funding through
whatever mechanisms may be in effect for the financing of undergraduate
or graduate degree programs in general.

J.S. Dupré Chairman

July 15, 1976

# 76-II The Ontario Graduate Scholarship Program, 1977-78

Council offered a general commentary on various aspects of the Ontario Graduate Scholarship Program, including its scope and background, in Advisory Memorandum 75-III. In the present memorandum, Council comments and advises on the 1977-78 scholarship competition under the following headings: scholarship eligibility, scholarship stipends, numbers of awards and administrative developments.

Scholarship Eligibility

At the time Council advised on the 1976-77 Ontario Graduate Scholarship competition, 90 per cent of the 1,000 annual awards were reserved for Canadian citizens. The balance of 10 per cent could be allocated to landed immigrants or foreign students.

In Advisory Memorandum 75-III, Council documented at length its serious concern over discrimination by quota as between Canadian citizens and landed immigrants. Council expressed reservations about the extent to which such discrimination might be viewed as departing from the spirit if not the letter of the Ontario Human Rights Code. Furthermore, Council explored in considerable detail the eligibility rules governing other publicly funded graduate scholarship awards, and found the quota approach of the Ontario Graduate Scholarship Program to be clearly anomalous. Again, Council took due note of the reservations expressed by the university community concerning the OGS quota, reservations expressed alike in institutional briefs and by the academic staff who acted as referees in the 1975-76 scholarship competition. Finally, Council noted that discrimination between landed immigrants and citizens, by potentially lowering the standard of the Ontario Graduate Scholarship competition, undermined the avowed objective of the Program to reward academic excellence.

Council accordingly advised that the Ontario Graduate Scholarship Program be equally open to Canadian citizens and to those who hold landed immigrant status as of the official annual closing date for applications. In the event, Government did not accept Council's recommendation. Council strongly believes that quota discrimination in the OGS Program between Canadian citizens and landed immigrants is a matter that warrants reconsideration. To the extent that the landed immigrant regulations of the Government of Canada are of concern, Council offers the reminder that the point system amendments made in February of 1974 bar any student from receiving landed immigrant status for the purpose of gaining

eligibility for scholarships and fellowships.

On the basis of all of the above considerations, Council reaffirms its original stance on the eligibility of Canadian citizens and landed immigrants for Ontario Graduate Scholarships and accordingly recommends to the Minister:

OCUA 76-2 (75-3)

Ontario Graduate Scholarship Program Eligibility

That the Ontario Graduate Scholarships be equally open to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.

Having made the above recommendation Council has again reviewed the eligibility of foreign students for Ontario Graduate Scholarships. In that such students were included in the landed immigrant quota until 1976-77, they were formerly permitted a limited degree of eligibility. Council observed in Advisory Memorandum 75-III that prevailing practice in comparable Canadian prestige awards was to exclude foreign students who are not landed immigrants with the

sole exception, circumscribed by stated conditions, of the Medical Research Council studentships. In any event, Council expressed the view, reflected by its briefs from the university community, that a provincial program of prestige awards is one where the eligibility of foreign students who are not landed immigrants is not

a priority issue.

Lest it detract in any way from the absolute priority of landed immigrant eligibility, Council is content to offer no formal recommendation with respect to the eligibility of foreign students. However, given current discussion of the impact of tuition fee increases on needy foreign students, Council offers the reminder that the over-riding purpose of the Ontario Graduate Scholarship Program is to reward academic excellence as measured by academic achievement. In that foreign student eligibility potentially adds to the level of excellence of the scholarship competition, it is compatible with the purpose of the Program. But the Program is not and should not become a vehicle for awards based on need, whether the recipients be citizens, landed immigrants or foreign students. Recognition of need is the proper objective of student assistance programs. It is not an objective of scholarship programs.

Scholarship Stipends

Table I compares by year the level of Ontario Graduate Scholarship stipends to those prevailing under federal prestige award programs through 1976-77. Council observed in Advisory Memorandum 75-III that the Ontario Graduate Scholarships originally carried a stipend moderately lower than federal awards, quite possibly on the reasonable ground that the Ontario Program provides awards on the basis of Provincial rather than nation-wide competition. By 1975-76, however, a sizable gap had emerged between OGS and federal stipends. To remedy this situation, Council recommended a major increase in the OGS stipend to \$4,500 according priority, however, to maintaining the number of awards at 1,000. Government respected Council's priority with respect to the number of awards, but increased the stipend to \$3,750 rather than to the recommended level. Given federal adjustments for 1976-77, the sizable gap between OGS and comparable stipends continued.

It is the considered opinion of Council that the magnitude of this gap weakens the OGS Program, the purpose of which is "to encourage excellence in graduate studies". What is clearly a prestige award should carry a stipend sufficient to attract and nurture excellence in the face of alternatives to graduate study and of economic pressures that detract from scholarly endeavor. Council fully appreciates the current environment of fiscal and economic restraint. In that this environment necessitates hard choices, Council is prepared to accord priority for 1977-78 to a higher stipend over maintaining the current number of awards. So as to avoid undue perturbation in numbers, Council is willing to forego the restoration in one year of the original relationship between OGS and federal stipends, but attaches over-riding importance to a major reduction in the sizable gap that has been allowed to emerge. This can be achieved by a stipend of \$4,500, and Council accordingly recommends to the Minister:

OCUA 76-3

Ontario Graduate Scholarship Stipends, 1977-78

That as a matter of first priority the Ontario Graduate Scholarships carry a stipend of \$4,500 or \$1,500 per term in 1977-78.

		Table I	
	Compara	tive Scholarship Stipends	
	OGS	NRC Stipends (PGS 1 & 2)	Canada Council Stipends (1st & 2nd Ph.D.)
1971-72		\$3,800	\$3,500
1972-73		\$3,800	\$3,500
1973-74	_	\$4,050	\$3,500
1974-75	\$3,400*	\$4,050 to Oct. 1 \$4,500 from Oct. 1	\$4,000
1975-76	\$3,400*	\$5,000	\$5,000
1976-77	\$3,750	\$5,520	\$5,500
% increase in 1976-77 over			
1974-75	10.3%	36.3%	37.5%

<sup>\*</sup>Adjusted to take account of integration of fees into stipend in 1976-77.

## **Number of Awards**

Having accorded priority to stipend levels over numbers of awards in 1977-78, Council's concern is that any consequent reduction be achieved in a manner that will respect the fundamental aim of the OGS Program. The Program's avowed aim of identifying and rewarding academic excellence is not only laudable in itself. It is singularly supportive of what should constitute the central thrust of graduate program planning in the coming years. To Council, this means that any reduction in numbers should protect and if possible enhance the number of scholarships awarded in open competition. Under prevailing practice, 850 of the 1,000 scholarships are available for the open competition. The remaining 150, ten per institution, are awarded to institutional nominees who meet the standards of the open competition.

Council appreciates that the institutional awards have given all universities a measure of flexibility, not least because they can be made to individuals after the close of open competition. These same awards are particularly valued by the small universities which, in the absence of doctoral programs, consider themselves at a disadvantage in attracting graduate students who hold federal scholarships. Federal eligibility rules generally favour doctoral candidates.

To Council, considerations of flexibility are distinctly secondary to protecting or enhancing the number of awards in the open competition which is central to the identification and reward of academic excellence. Accordingly, Council is disposed to favour the abolition of institutional awards in the ten universities that offer doctoral programs. Council therefore recommends to the Minister:

### OCUA 76-4

Abolition of Institutional Ontario Graduate Scholarship Awards in Universities with Doctoral Programs.

That institutional awards in the ten universities with doctoral programs be abolished.

As for the five remaining institutions, Council believes that their particular case for institutional awards should be reviewed in the longer run perspective of graduate program planning but not prejudged by precipitous action at this time.

Council observes that the abolition of institutional awards in the larger universities creates a framework within which the number of scholarships available in the open competition can be protected or enhanced if the 1977-78 appropriation is insufficient to sustain 1,000 awards at the recommended stipend of \$4,500. This framework is illustrated in Table II for appropriation increases in a range of 10 to 20 per cent. It will be noted that below the level of 15 per cent, the number of institutional awards available to the five small universities falls to 45, imposing on these a warranted pro rata share in the reduction of total awards.

Council urges that the appropriation increase for the OGS Program in 1977-78 be within the percentage range shown in Table II. For future years, Council wishes to investigate ways in which it could offer more definitive advice on the level of increase in the OGS appropriation. The Program could become disadvantaged by the fact that Council tenders its advice on OGS not only in isolation from the mainline funding of the university system, but also in isolation from occasional special funding requests — for example in the domain of instructional development.

For 1977-78 Council, on the basis of the considerations outlined above, recommends to the Minister:

#### OCUA 76-5

Number of Ontario Graduate Scholarship Awards in 1977-78

That, consistent with the priority attached by Council to a 1977-78 stipend of \$4,500, the number of Ontario Graduate Scholarships available in the open competition and for institutional awards at Brock, Lakehead, Laurentian, Trent and Wilfrid Laurier Universities be determined in the manner illustrated in this Memorandum.

Table II

Number and Composition of OGS Awards for 1977-78 Under Alternative Appropriation
Increases

		010000	
Per Cent Increase in Appropriation for 1977-78 over 1976-77	Total Awards Possible at a Stipend of \$4,500	Awards Available for Open Competition	Institutional Awards for Equal Distribution by Quota among small Universities
%	(no.)	(no.)	(no.)
10	917	872	45
11	925	880	45
12	933	888	45
13	942	897	45
14	950	905	45
15	958	908	50
16	967	917	50
17	975	925	50
18	983	933	50
19	992	942	50
20*	1000*	950	50

<sup>\*</sup>The recommended stipend of \$4,500 for 1977-78 is 20 per cent greater than the stipend for 1976-77. Therefore the OGS appropriation for 1977-78 will have to increase by 20 per cent to maintain the number of awards at 1000 assuming that there is no change in the mix of three-term and two-term awards.

**Administrative Developments** 

With respect to current and prospective developments affecting the operation of the OGS Program, Council has had the benefit of perusing the report of the Chairman of the Selection Board for the 1976-77 competition, Professor D.C. Jordan of the University of Guelph. In its initial advisory memorandum on OGS, Council applauded the extent to which the Program constitutes an instance of close and fruitful collaboration between the academic community and the Ministry of Colleges and Universities, and expressed the hope that its advice on administrative matters would remain superfluous. The Jordan Report gives evidence of a continuing record of fruitful collaboration, and Council is content to leave the many constructive suggestions of that document to the parties directly involved.

For 1977-78, Council's sole comment concerns a facet of the OGS Program in which administration and policy overlap. The removal of limitations on the earned remuneration of graduate students from institutional operating income requires a reassessment of the regulations that apply to Ontario Graduate Scholars. So that scholarship holders may be equitably treated in relation to other graduate students, ceilings on their own remuneration should be removed, it being clearly understood that any duties as part-time research assistants, teaching assistants or demonstrators should not exceed the maximum of ten hours per week that applies to all full-time students. With respect to income from other academic awards, Council has reviewed the regulations that govern holders of federal scholarships. Similar treatment of Ontario Graduate Scholarship holders indicates that the current ceiling of \$500 on academic awards held concurrently with an Ontario Graduate Scholarship should be raised to \$1,000. Council accordingly recommends to the Minister:

#### OCUA 76-6

Income Limitations on Ontario Graduate Scholarship Holders

That holders of Ontario Graduate Scholarships be permitted to hold concurrent academic awards to a maximum value of \$1,000 and to earn remuneration for duties as research assistants, teaching assistants or demonstrators to a maximum of ten hours per week.

J.S. Dupré Chairman

July 15, 1976

# 76-III Government Support for the University System in 1977-78

In this Memorandum, Council sets forth its advice on Government support for the Ontario university system in 1977-78. Council's advice is outlined under two master headings, operating grants and capital assistance.

# Operating Grants: Predictability, Inflation and Accessibility

Toward Enhanced Predictability in University Funding

The submission of this Memorandum in the summer of 1976 is explained by the intention of the Government of Ontario to make, for 1977-78, earlier spending target announcements than in the recent past. This intention was enunciated by the Provincial Treasurer in a speech on August 9, 1976, to the Association of Municipalities of Ontario in the following words:

We are well into planning our 1977-78 budget. It is my hope that I will be in a position to start making public Provincial expenditure decisions in September. That's three months earlier than last year. This will mean that you, local agencies, hospitals, universities and colleges as well as school boards, should know the extent of Provincial support well before the beginning of your fiscal year...

In accommodating, through the timing of this Memorandum, the Government's intention to make an earlier announcement with respect to university grants for 1977-78, Council continues to fulfill a commitment made upon its initial appointment in 1974. That commitment is to tender advice that is fully in step with the

Government's own decision-making processes.

Council believes that the Government's immediate intention to accelerate the timing of its 1977-78 spending announcement broadly serves the interests of the university system. Council's 1976 spring hearings yielded abundant pleas for greater predictability in university funding. Indeed, many voices within the university system are exhorting Council and the Government to consider means whereby institutional funding might become known in advance for periods of two, three or more years' duration. The question of multi-year funding is one to which Council will devote serious attention during the coming months. For the immediate moment, there can be no question that an early announcement by Government of next year's spending levels constitutes a meaningful step toward greater predictability in the funding of universities.

Council's own role in enhancing the predictability of university funding is not simply a matter of providing timely advice in any given year. More generally, Council can contribute to predictability by the extent to which it takes a consistent approach in developing the content of its funding advice from year to year. Council now has the benefit of two years of experience in generating advice on the support of the university system. It has evolved an approach that has been thoroughly discussed with the university system and to which Government funding levels responded positively for 1976-77. Council believes that its approach is now generally understood. This approach begins with a consideration of the basic objectives that the operating support of the university system should seek to serve. It goes on to offer a calculation of the cost of meeting these objectives on the basis of the best information at hand. It then estimates the possible requirements dictated by the need to fund special institutions and accommodate policy changes, and formulates a position on whether additional funding might be indicated by particular circumstances affecting the university system. It concludes with Council's actual funding recommendations.

The evolution of Council's approach is delineated and documented in Advisory

Memoranda 74-IV and 75-VI. Council proceeds in this Memorandum to follow this approach in recommending operating support for the university system in 1977-78. The timing of the present memorandum deprives Council's exercise of certain data, notably actual system revenues and expenditures for 1975-76 and budgeted system revenues and expenditures for 1976-77. However Council has satisfied itself that its approach remains valid under such circumstances and can accordingly accommodate earlier expenditure announcements and contribute to enhanced predictability in university financing.

## Inflation and Accessibility

The twin forces of rising prices and enrolment growth were identified by Council as the principal sources of pressure on a university system deemed, in Advisory Memorandum 75-VI, to be "in trouble". For 1975-76, Government had attempted to meet three stipulated objectives in its funding of the university system. These were "to offset inflationary trends, to maintain or improve existing levels of service and to accommodate predicted enrolment increases." In Advisory Memorandum 74-IV Council advised Government that its spending target would fall short of meeting the cost of these objectives. The retrospective analysis of university finances in 1975-76 offered in Advisory Memorandum 75-VI presented evidence in support of this initial judgement.

For 1976-77, Council recommended a level of basic funding for the university system that entailed objectives broadly similar to those enunciated in the Government's own words a year earlier. These were (1) "to offset inflationary trends", (2) "to maintain existing levels of service" and (3) "to accommodate predicted enrolment increases at the undergraduate level". The first objective was unchanged but for the second objective the more restrictive wording "to maintain" rather than "to maintain or improve" existing levels of service was deemed by Council as more appropriate to the current economic climate. As for the third objective, Council prescribed the accommodation of predicted enrolment increases "at the undergraduate level" only given its recommendation, accepted by Government, that the funding of graduate programs be temporarily insensitized to enrolment levels.

In fact, the operating grants provided by Government for 1976-77 more than covered Council's calculation of the cost of its three basic funding objectives, and indeed came close to meeting the sum-total of all Council's funding recommendations. For lack of data at this time, the present Memorandum cannot offer a documented analysis of the consequences of the funding levels achieved in 1976-77.

Basic funding objectives designed to offset inflationary trends, maintain existing levels of service and accommodate predicted enrolment increases at the undergraduate level are in Council's view essential if the university system is to be sustained in a framework of still rising prices and continued enrolment growth. The priority accorded by Government to university funding for 1976-77 is clear testimony of its concern for accommodating the twin forces of inflation and accessibility. At present, inflation shows hopeful signs of abating but enrolment growth is highly likely to remain a significant source of pressure well into the nineteen eighties. Council will advise later this year on some of the likely multi-year consequences of maintaining the longstanding policy whereby the Ontario university system has remained broadly accessible to the people of Canada and Ontario. This policy has underwritten the priority claim of the university system with respect to Government expenditures generally. In recommending funding levels in this Memorandum, the only responsible advice that Council can tender is that which respects the implications of this policy for likely enrolment growth in 1977-78.

To summarize, the existing setting is one in which economic circumstances and longstanding policy indicate the need to sustain the existing university system in the face of price increases and enrolment growth. Council concludes that the basic objectives appropriate to 1977-78 are identical to those it espoused and to which Government's funding level responded for 1976-77.

Costing Council's Basic Funding Objectives for 1977-78

The costing of Council's basic funding objectives for 1977-78 closely parallels the exercise undertaken for 1976-77 in Advisory Memorandum 75-VI. There are changes in some of the percentage variables applied to the figures that provide the base for Council's exercise, and to the manner in which the base figures have been derived. Each change is explained in the following description of Council's exercise, whose several components are displayed in the columns of Table I. This Table incorporates the threefold division of university system outlays consistently used by Council in its funding advice, namely salaries, fringe benefits and non-salary expenditures.

Column 1: The 1976-77 Base. The starting point in the 1977-78 costing exercise is the base that indicates Council's estimated level of university system expenditures for 1976-77. Recognizing that the Ontario College of Art joined the company of formula-funded institutions in 1976, Council has included its expenditures in the data presented in Column 1. The institutions represented in Council's 1976-77 base are accordingly the fifteen provincially-assisted universities including the Laurentian affiliates, church-related colleges for programs other than theology, the Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, and

the Ontario College of Art.

The procedures used to derive the figures that appear in Column 1 depart in certain respects from the methods used in Advisory Memorandum 75-VI. These procedures are outlined in the Appendix to the present Memorandum. They were necessitated by the absence at this time of COFO-UO data on system-wide budgeted revenues and expenditures for 1976-77. In a nutshell, the procedures used by Council involve greater reliance than in the past on revenues as opposed to expenditures, but with due cross-checking of the budgeted expenditures of those institutions from whom data were available. The emphasis on revenues in Council's method of deriving its 1976-77 university system expenditure estimates yields what is if anything a conservative base.

Column 2: Inflationary Trend Costs. Given the Anti-Inflation Program of the Government of Canada, the matter of costing the objective "to offset inflationary trends" is one on which Council took its stance in Advisory Memorandum 75-VI. This stance is to calculate the cost of offsetting inflationary trends with reference to the targets that the anti-inflationary program seeks to achieve. Council takes the "basic protection factors" of the federal compensation guidelines as indicative of

these targets.

The overwhelming majority of university salary settlements for the fiscal year 1977-78 will fall within a period in which the basic protection factor allows cost of living increases of 6 per cent. Since the movement of the consumer price index in the last year makes it likely that the Government of Canada will stand by this percentage, Council has applied it in Column 2 in calculating the cost of offsetting inflationary trends with respect to salaries and fringe benefits.

The non-salary area involves university outlays that are relatively evenly distributed throughout the fiscal year. The year 1977-78 embraces a time period that falls partly under a basic protection factor of 6 per cent and partly under one of 4 per cent. Recourse to these factors accordingly indicates the application of 5 per cent in calculating the cost of offsetting inflationary trends in the non-salary area.

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	The	The Cost of the Basic Funding Objectives Recommended for 1977.78: Provincially Assisted Universities, Ryerson, OISE and OCA. — (\$millions)	unding Object versities, Ryer	ives Recomment son, OISE and O	led for 1977-78: CA. — (\$millions)		
	<del></del>	2	က	4	5	9	7
			Existing		Predicted	Excess	Cost Of
		Inflationary	Level	Efficiency	Enrolment	Capacity	Basic
	1976-77	1977-78	1977-78	(Negative)	1977-78	(Negative)	1977-78
Salaries (1)	595.0	37.1	12.7	-6.4	+ 29.6	-14.8	653.2
Fringe Benefits	62.0	3.7	1.3	-0.7	+ 3.0	- 1.5	67.8
Non-Salary	173.0	8.7	4.5	-1.9	+ 8.5	- 4.2	188.6
TOTAL	830.0	49.5	18.5	-9.0	+ 41.1	-20.5	9.606

<sup>(1)</sup> The academic portion of salary costs is adjusted to recognize the two-month discrepancy between the university fiscal year (May-April) and the common university appointment year (July-June). A similar adjustment is not made for support staff salaries because the effective dates of salary adjustments for such staff vary widely among different employee groups and different institutions.

At this juncture Council must make the following observation. As Advisory Memorandum 75-VI points out, recourse to basic protection factors is required to the extent that the goal of the Anti-Inflation Program "clearly will not be served if an objective of offsetting inflationary trends is costed with reference to the very trends that the nation seeks to control." A substantial portion of university non-salary outlays, however, is affected by price trends that the nation either does not or cannot seek to control through the Anti-Inflation Program. The key instances are energy, scientific equipment and library acquisitions. Energy prices have been excluded from the reach of the Program since its inception. Scientific equipment and library acquisitions are subject to price movements that are totally beyond the economic influence of the Program to the extent that they involve imports from other countries. It follows from the above that Council's stance on the Anti-Inflation Program does not bind it to basic protection factors in calculating the cost of offsetting inflationary trends affecting either energy or imported scientific equipment and library acquisitions.

Council's concern over the inflationary trends affecting the above items is such that it is prepared for the first time to accord them specific recognition in its funding advice to Government. On this initial occasion and given the early call for its advice, Council has chosen to do so outside the context of the immediate costing exercise. Council has accordingly applied 5 per cent to the non-salary area in Column 2, and will return to what it considers a pressing funding need later in

this Memorandum.

Column 3: Existing Service Level Costs. In calculating the cost of its objective "to maintain existing levels of service," Council recognizes two major sources of real costs in the university system. These are progression through the ranks or toward the job rate in the salary area, and allowance for furniture and equipment

replacement in the non-salary area.

In Column 3, Council has again applied to salaries and fringe benefits a factor of 2 per cent to allow for the net cost of progression through the ranks or toward the job rate. The validity of this allowance does not stand on the rulings that the Anti-Inflation Board may make on salary settlements with any particular group of employees in any given institution. As explained in Advisory Memorandum 75-VI, Council applies the basic protection factor as its proxy for inflationary trends without regard to what the anti-inflationary guidelines permit either for productivity gains or a particular employee group's compensation history. In calculating the cost of maintaining levels of service, the consistent approach is to allow a stated percentage for the net cost of career progression without regard to uncertainty about steps, merit or promotion. As to the actual level of 2 per cent applied for this cost by Council, its spring hearings with the university community provided additional evidence of its validity.

With respect to furniture and equipment replacement, Council in Column 3 has again applied a 2.5 per cent factor to the non-salary area. Representations made to Council in the past year indicate a clear possibility that this percentage is inadequate and Council has the matter under serious review. Because this review is in its initial stages an upward revision in the context of the present baseline costing

exercise would be premature.

Column 4: Efficiency Factor. The efficiency factor is one of two negative measures or discounts that Council applies in calculating the cost of meeting its funding objectives. Explained in considerable detail in Advisory Memorandum 75-VI, the efficiency factor involves an expectation of the "productivity gains" that might be said to lie within the reach of all institutions in the university system, including those in steady state. The factor is therefore applied after allowance has been made for offsetting inflationary trends and maintaining service levels. It is at

this point in the costing exercise that Council's estimated costs are what they would be were the university system in steady state.

The danger of the efficiency factor is that it will clearly undermine the capacity of the university system "to maintain existing levels of service" if its underlying expectation of potential "productivity gains" is unrealistic. The efficiency factor of 1.5 per cent used in Advisory Memorandum 75-VI involved a productivity expectation that Council itself recognized as extraordinary in the context of labour-intensive service institutions. The validity of harboring this level of expectation was severely criticized during Council's 1976 spring hearings.

Council accepts this criticism to the extent that blind adherence over time to what by its own admission is an extraordinary level of expectation is not in the interest of either Government or the university community. Council in Advisory Memorandum 75-VI attached credibility to the suggestion that a 1 per cent efficiency factor involves a permissible expectation of productivity gains. It has therefore applied this percentage in Column 4 rather than the extraordinary 1.5 per

cent used last year.

Column 5: Predicted Enrolment Costs. As Council has repeatedly noted, the main ambiguity that surrounds an objective of accommodating predicted enrolment increases lies in the reliability of the enrolment prediction, whether made by Government or the universities. The matter is further complicated by the fact that the predictive exercise is normally undertaken before official enrolment counts for the base year are available. At the time of the present exercise, universities have yet to register the students who will comprise the base year enrolment for the 1977-78 prediction.

For all this, the available information indicates that enrolment predictions from all quarters have been overly conservative in each of the last two years. This is now established as a hard fact for the year 1975-76 in which final enrolment counts produced an increase of 5.9 per cent over 1974-75. The respective predictions of the

universities, Council and the Ministry had been 1.6, 3 and 4.3 per cent.

For funding purposes in 1976-77, the first year of formula insensitivity to graduate student enrolment, Council predicted a 5.3 per cent increase in undergraduate enrolment. The latest data on applications indicate that this too will prove to be an underestimate, but only moderately so in relation to what developed in 1975-76. Taking into account both applications and current retention rates, there is a distinct possibility of a 6 per cent increase in undergraduate enrolment for 1976-77. with respect to 1977-78, Council's best prediction is for a further increase in undergraduate enrolment of 5.7 per cent. This factor is applied in Column 6 to the estimated 81 per cent of system-wide expenditures that relate to undergraduate programs.

Column 6: Excess Capacity Factor. The excess capacity factor is the second of the two discounts that Council applies in estimating the cost of its basic funding objectives. It rests on the assumption that the state of capacity in the university system as a whole permits the accommodation of additional enrolment at a marginal cost lower than average cost. In Advisory Memorandum 75-VI, Council for 1976-77 applied an excess capacity factor of 50 per cent. For 1977-78, the operating grants submission presented by the Council of Ontario Universities applied a factor

of 35 per cent.

Council infers from partial evidence that the university system can still accommodate enrolment growth at a marginal cost lower than that assumed by the suggested C.O.U. factor. The implied extent of surplus capacity of course comes closer to exhaustion with each successive year of enrolment growth. Council will apply itself during the coming months to making multi-year estimates of enrolment growth together with tentative estimates of the costs of accommodating such

enrolments. Successive reductions in the difference between marginal and average costs are to be expected and the level of Council's excess capacity factor will come to be governed by these considerations. As to the 1977-78 excess capacity factor used in Column 6, Council's inference from available evidence leads it to adhere, but possibly for the last time, to a level of 50 per cent.

Column 7: Cost of the Basic Objectives. The final Column of Table I simply adds to Column 1 the sum of the positive and negative figures that appear in Columns 2 through 6. The resulting grand total of \$909.6 million represents Council's best estimate of the cost of its basic objectives in funding the Provincially-assisted universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art in 1977-78.

### The Potential Cost to Government of Council's Basic Funding Objective

Council's earlier funding exercises were performed under circumstances in which there existed a prior Government commitment that there be no increase in tuition fees. Since no commitment currently exists with respect to 1977-78 fees, the next step in the present exercise is to indicate what is labelled the potential cost to Government of Council's basic funding objectives. This is done in Table II by deducting from the total cost of \$909.6 million Council's 1977-78 estimate of tuition fee revenues at prevailing rates, together with its estimate of what will constitute other revenue in the same year.

The tuition fee deduction of \$133.9 million is based on the \$125.6 million that the Appendix to this Memorandum indicates as the likely level of fee revenue in 1976-77. The amount estimated for 1977-78 is almost entirely attributable to Council's predicted undergraduate enrolment increase for that year of 5.7 per cent. No allowance is made for the revenue consequences of possible changes in graduate enrolment. Given the higher fees that apply in 1977-78 to newly enrolled foreign students, Council's estimate of \$133.9 million includes \$2 million from this source.

The recorded deduction in Table II of \$72.9 million for other revenue in 1977-78 is 5 per cent above the \$69.4 million estimate of 1976-77 other revenue that appears in the Appendix. This rate of increase represents a judgement made by Council after according due consideration to recent downward trends in MCU's line budget grants for operating purposes, upward trends in other provincial grants and miscellaneous university revenues, and a possible reduction in short term interest rates that may be related to receding inflation.

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Potential Cost to Government of Council's Basic Funding Objectives for 1977-78: Provincially Assisted Universities, Ryerson, OISE and OCA (\$ Million's)

Cost of Basic Funding Objectives	
(Table I, Column 1)	909.6
Deduct: Tuition and Other Fee Revenues	
at Prevailing Rates	- 133.9
Other Revenues	- 72.9
Potential Cost to Government of Basic Funding	
Objectives	702.8

As Table II indicates, if Council's basic funding objectives are to be met in 1977-78, the potential cost to Government is \$702.8 million. This involves a 10.7 per cent increase over the 1976-77 total of \$635 million made available by Government in the form of formula, graduate, supplementary, bilingualism and Northern Ontario grants to the institutions covered by Council's costing exercise. The cost to Government is a potential one because the actual cost to Government hinges on tuition fee policy for 1977-78. Before addressing this matter in the context of its recommendations, Council must deal with the question of additional funding needs.

**Additional Funding Needs** 

Council distinguishes two categories of additional funding needs. The first is occasioned by special institutions and policy matters. The second arises to the extent that Council discerns particular circumstances whose consequences are deemed sufficiently serious for the university system as a whole to warrant a recommendation for additional across-the-board funding.

Special Institutions and Policy Matters. As currently defined by Council, Special Institutions and Policy Matters encompass the Bar Admission Course, theology programs and any items of enrichment that should be considered by Government

as matters of policy.

With respect to enrichments that might arise from policy considerations, Council makes no requests for 1977-78. Additional funding need in the area of Special Institutions and Policy Matters is therefore limited to the Bar Admission Course and theology programs by virtue of their exclusion from Council's costing exercise. Because uncertainty attaches to the number of institutions that may accept the Government's conditions for full formula funding of their theology programs during the coming year, Council must allow for the maximum amount to which Government might be committed if all institutions accepted the full funding option open to them. Under these circumstances, Council has estimated the funding need generated by the Bar Admission Course and Theology programs as involving commitments of up to \$3.3 million for 1977-78.

In the policy realm, Council wishes to give notice that bilingualism grants will constitute a priority item in its consideration of possible enrichments for 1978-79, and is joined in this matter by the Advisory Council on Franco-Ontarian Affairs. For 1977-78, the two bodies agree that bilingualism grants should only be subject to an economic adjustment, and this is encompassed both by this Council's 1977-78 costing exercise and by its allowance for the support for theology programs.

Particular Financial Circumstances. Given its respect for the current economic climate of restraint, Council has been highly selective in assessing what particular circumstance might be sufficiently compelling to warrant advancing a case for additional funding at this time. In the final analysis, Council decided to advance a single case in the light of a financial circumstance that it deems to be indeed compelling. This circumstance stems from the inflationary trends affecting what Council estimates to account for some 40 per cent of university non-salary expenditures, namely energy and imports, the latter principally composed of scientific equipment and library materials. As pointed out earlier in this Memorandum, Council's own stance on the Anti-Inflation Program does not bind it to the application of basic protection factors in calculating the cost of offsetting inflationary trends affecting these categories of expenditure.

These expenditure categories are matters of the most basic system-wide need. For all the economies they have realized and will continue to seek in the domain of energy, universities cannot escape utility bills whose rate of increase has been excluded by deliberate policy from the reach of the Anti-Inflation Program. As for

scientific equipment and library acquisitions, these are not only fundamental to education and research; they are precisely the items that have been affected by the process of capital consumption identified in Advisory Memorandum 75-VI as a matter for the most serious long-run concern. Information received from the university community indicates that over 90 per cent of scientific equipment and library acquisitions are imported and accordingly beyond the reach of the Anti-Inflation Program. It is to be noted that library materials in particular have been subject to price increases that far exceed the prevailing movement of general price indices in the countries of the world.

It is all too unhappily evident to Council that energy, imported scientific equipment and library acquisitions from other countries will as a group remain subject to double-digit inflation. In this setting, the most conservative recognition of the inflationary trends affecting these expenditure categories could not call for an inflationary allowance less than twice the 5 per cent applied by Council to the total university non-salary expenditures in the costing exercise undertaken earlier in this Memorandum. Allowing 10 rather than 5 per cent as an inflationary allowance for the relevant portion of these expenditures leads Council to advance an additional funding claim of \$3.5 million for the support of the university system in 1977-78. This involves minimal recognition of what must be deemed a truly pressing funding need.

## Funding Recommendations for 1977-78

The basic costing exercise undertaken in this Memorandum indicates a potential cost to Government of \$702.8 million in 1977-78. This represents a 10.7 per cent increase over the 1976-77 total of \$635 million made available by Government in the form of formula, graduate, supplementary, bilingualism and Northern Ontario grants to the fifteen provincially-assisted universities including the Laurentian affiliates, church-related colleges for programs other than theology, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art. In addition, consideration of Special Institutions and Policy Matters involves a 1977-78 funding level of up to \$3.3 million, this amount to be applied solely to the Bar Admission Course and theology programs, all of which are excluded from Council's basic funding exercise. Finally, recognition of particularly pressing circumstances affecting the financial condition of the university system leads Council to request additional funding of \$3.5 million.

Since there has been no commitment by Government to hold tuition fees at their present level in 1977-78, the above amounts all represent potential costs to be considered in the light of what might constitute tuition fee policy for that year.

During the last decade, Government essentially assumed *de facto* control of tuition fee levels. The exercise of the universities' *de jure* fee setting prerogative was limited to a few marginal departures from formula fees which were of minimal financial consequence. Government's scheme of financial assistance to students has taken account of actual tuition fee levels; as a result higher fees consequent upon the free exercise of the *de jure* fee prerogative by any institution would induce an additional public expenditure over which Government had no control. The implications for university autonomy have been questionable, but the locus of responsibility has been clear. Government assumed responsibility for the level of grants, fees and student assistance, and hence for the basic funding of the university system.

The immediate matter of recommending basic funding levels is in Council's view not the occasion for reassessing the burden of responsibility that Government has assumed over a decade. Council appreciates the current economic climate, and notes the sizeable reduction in the increase implied by its funding claim. For

1976-77, Council's recommendations implied expenditure increases of 13.8 and 15.3 per cent. For 1977-78 the comparable percentage increases in this Memorandum are 10.7 and 11.2. Government should consider these increases in the context of the burden of responsibility it has assumed.

So as to emphasize its position that with respect to the funding levels indicated by this Memorandum, the relevant mix of grants, fees and student assistance is a matter of Government responsibility, Council recommends to the Minister and the Lieutenant Governor in Council:

## OCUA 76-7

Funding Level for 1977-78 to meet the Cost of Basic Objectives in Funding the Operation of the Provincially-Assisted Universities, Ryerson, The Ontario Institute for Studies in Education and The Ontario College of Art

That the 1976-77 Government expenditures of \$635 million on behalf of the provincially-assisted universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art be increased to provide, through grant or fee increases compensated by student assistance, a 1977-78 funding level of \$702.8 million.

### OCUA 76-8

Funding Level for 1977-78 on behalf of the Bar Admission Course and Theology Programs

That there be provision for a 1977-78 funding level of \$3.3 million on behalf of the Bar Admission Course and theology programs.

#### OCUA 76-9

Funding Level to recognize additional need of the university system

That consideration be given to a further \$3.5 million in recognition of the additional need of the university system.

## Capital Assistance

### Protecting an Interim Plateau

The timing of this Memorandum finds Council some months away from recommending changes in capital assistance policy. Some of these changes may affect the manner in which Council advises on future levels of capital assistance, but their impact is now necessarily deferred to 1978-79 and subsequent years. Other changes in capital policy that might appropriately affect the distribution of 1977-78 assistance will be recommended in time to be considered for implementation in that year.

With respect to the needed level of capital assistance for 1977-78, Council's immediate priority is to protect what it has called the current interim plateau of capital assistance. Recent events indicate that this plateau is particularly vulnerable to

sudden shifts occasioned by the current economic climate.

The December, 1975 response to the capital assistance recommendation made by Council in Advisory Memorandum 75-VI was positive in that it indicated that "funds in the amount of \$11.8 million will be made available in 1976-77 for building renewal, repairs and maintenance projects." However it was subsequently found necessary to reduce this amount to \$10.2 million composed of \$6.1 million in OUCAC lending, \$3.3 million in general Ministry grants, and \$0.8 million for energy management and operating cost savings projects. The resulting shortfall from \$11.8 million is \$1.6 million.

Especially because the current level of capital assistance is at an interim plateau, Council urges that this 1976-77 shortfall be restored in 1977-78. In recommending a level of capital assistance for that year, Council accordingly deems the appropriate base to be the sum of \$11.8 and \$1.6 million, adjusted for inflation by the identical 5 per cent applied in Column 2 of Table I to the non-salary area of university system operating expenditures. As in the past, Council considers the resulting sum of \$14.1 million to be net of any carryovers and new construction projects. Council therefore recommends to the Minister and the Lieutenant Governor in Council:

OCUA 76-10

Level of Capital Assistance for 1977-78

That funds for capital assistance in 1977-78 be \$14.1 million plus any amounts necessitated by carryovers and new construction projects.

J. S. Dupré Chairman

August 20, 1976

## Appendix to Advisory Memorandum 76-II!

Estimating University System Expenditures in 1976-77

The figures that appear in Column 1 of Table I in this Memorandum represent Council's estimate, as of August, 1976, of university system expenditures in 1976-77. This appendix describes the exercise whereby these figures were derived. System-wide financial returns on budgeted revenues and expenditures for 1976-77 were not yet available at the time this Memorandum was written. The timing of the Memorandum also deprived Council of system-wide returns indicating actual revenues and expenditures in 1975-76. It accordingly proved necessary to develop a method of estimating university expenditures for 1976-77 on the basis of the financial information at hand, which was comprised of the following:

(1) known levels of system-wide operating support made available by Govern-

ment for 1976-77 in the form of grants;

(2) system-wide information given to Council on the size of budgeted deficits for

1976-77 and likely actual deficits for 1975-76;

(3) 1976-77 budgeted revenues and expenditures for 12 provincially-assisted universities, Ryerson and OISE, hereafter referred to as Council's 1976-77 sample budgets;

(4) 1975-76 actual revenues and expenditures for 11 provincially-assisted univer-

sities and OISE, hereafter referred to as Council's 1975-76 sample actuals;

(5) actual enrolment levels in 1975-76;

(6) the retrospective analyses of university finances published in Appendices A and B of Advisory Memorandum 75-VI;

(7) annual COFO-UO budgeted revenues and expenditures through 1975-76; (8) annual COFO-UO actual revenues and expenditures through 1974-75; and

(9) miscellaneous data obtained by Council staff.

The first item in the above list, Government grants for 1976-77, involves known amounts that have comprised more than three-quarters of system-wide revenues in recent years. This fact invites an exercise that begins with the revenue side of the

university financial equation.

Council's estimate of system-wide revenues in 1976-77 appears in Table A-I. Known amounts determine the figures for formula and non-formula grants shown in the Table. They also determine \$32 million of the \$69.4 million shown in the Table as other revenue. The \$32 million includes grants to compensate for municipal taxation, the grants paid by the Ministry of Education to the Ontario Institute for Studies in Education and by the Ministry of Agriculture and Food to the University of Guelph, and the allocations for special or "line budget" grants made to institutions by the Ministry of Colleges and Universities for other than capital purposes. Almost half of 1976-77 other revenue is accordingly known.

For the remainder of other revenue, which ranges from short-term interest to minor local government grants, reference was made to Council's 1976-77 sample budgets, and a trend established in relation to Council's 1975-76 sample actuals. The resulting estimate of \$37.4 million, added to the \$32 million in grants, yields the

other revenue figure shown in the Table.

As for tuition and other fee revenue, the other fee component was escalated with reference to trends indicated by Council's 1975-76 sample actuals. With respect to tuition fees proper, reference was first made to the 1974-75 actual revenue. Because tuition fee levels were frozen in 1975-76, revenue from tuition fees for that year was estimated by adjusting the 1974-75 revenue for actual enrolment levels in 1975-76. An adjustment was then made to combined 1975-76 tuition and other fee revenue for anticipated enrolment increases in 1976-77, when tuition fee levels were again frozen. The end result is the \$125.6 million that appears in Table A-I. Although foreign students who may newly enrol as of January 1, 1977 will be subject to new and higher tuition fee levels, total university revenue for 1976-77 will not

be affected because such students will entail an offsetting grant reduction.

Estimated system-wide revenue for 1976-77 is accordingly \$830 million. At this point Council considered the extent to which 1976-77 expenditures might be sustained by deficits as well as this revenue level. The information received from all institutions by August, 1976, indicated the likelihood of an actual system-wide deficit of \$5.7 million in 1975-76.

In the course of its deliberations, Council had recourse to the analysis undertaken in Advisory Memorandum 75-VI. Budgeted revenues and expenditures for 1975-76 indicated a deficit for that year of \$16.1 million. Its analysis of the in-year behaviour of revenues and expenditures led Council to forecast a 1975-76 actual deficit of \$7 million. This slightly exceeds the \$5.7 million of which Council is now informed.

Council observed in Advisory Memorandum 75-VI a pronounced tendency whereby actual revenue turns out to be higher than budgeted revenue, which is conservatively estimated as a rule. This, together with such in-year expenditure reductions as were occasioned in the face of large budgeted deficits, explains what appears to be the outcome for deficits in 1975-76.

Table A-1	
Estimated Revenues for Provincially-Assisted Universities, Ryerson, OISE and C	CA:
1976-77 (\$ million's)	

Formula grants	\$625.2
Non-Formula Grants	9.8
Other Revenues	69.4
Tuition and Other Fees	125.6
Total Revenues	\$830.0

With respect to budgeted deficits for 1976-77, Council's information as of August, 1976, indicates a system-wide figure of \$5.9 million. Council's earlier analysis of the in-year behavior of budgeted revenues and expenditures has led it to deem it likely that a \$5.9 million budgeted deficit for 1976-77 will yield a negligible actual deficit for that year. In the absence of the relatively detailed analysis that the availability of data permitted in Advisory Memorandum 75-VI, Council has chosen to make the deliberate assumption that deficits will not sustain a 1976-77 expenditure level that is higher than its \$830 million in estimated revenue.

The figure of \$830 million accordingly becomes Council's estimate of 1976-77 university system expenditure and the base of its costing exercise. It is above all Council's elimination of a possible system-wide deficit that yields an expenditure estimate which, in the words of the text, "is if anything a conservative base."

Council's final step has been to distribute its estimated expenditure total of \$830 million among salaries, fringe benefits and non-salary outlays. Reference was made in the first instance to Council's 1976-77 sample budget. The percentage composition of total expenditures in this sample was then compared with the year-to-year changes in the percentage composition of system-wide expenditure since 1972-73. Such changes have been small. Furthermore, because it happens that sets of factors applied in Council's costing exercise vary little as between the salary-fringe benefit area and the non-salary area, the consequence of any error in Council's

approximate composition is minimal. To take an example, a 1 per cent overestimate in the percentage share of salary expenditure will increase the cost of Council's basic funding objectives by only \$46,000.

The percentages applied to the estimated expenditure total of \$830 million in order to yield the figures shown in Column 1 of Table I are for salaries 71.7, for fringe benefits 7.4 and for non-salary expenditures 20.9.

## 76-IV Graduate Program Planning

**Future Directions in the Planning Process** 

A detailed outline of the evolution of the graduate program planning process was given in Advisory Memorandum 75-IV, which was the first formal document issued by Council on this subject. Here Council was pleased to acknowledge a record of solid accomplishment. In the beginning, the graduate planning process was seen as a response to legitimate anxieties over a rapid rise in enrolment which gave every indication of continuing indefinitely. Today, a five-year record of relatively steady enrolment levels indicates that the size of the graduate enterprise need no longer be a matter of prime concern. In the beginning, the universities had virtually no experience with cooperative planning and program assessments. Today, universities experienced in cooperative planning are collectively assigning priority to program quality.

In the spring of 1976, the brief presented to Council by the Council of Ontario Universities suggested the following as major future directions in a graduate planning process tailored to a changing environment (*Graduate Planning in Ontario* 

Universities, p. 19):

i) the improvement of quality of the graduate activity through strengthening the appraisals process and extending it to programs hitherto exempted.

ii) the need for individual universities to establish firm institutional priorities with regard to the strengthening or closing of programs that are found to be inadequate.

iii) an earlier role for ACAP in the planning of new programs so that system factors can be considered before institutional resources are set in place,

iv) the need for reassessment in those disciplines in which significant changes have occurred since the assessment or in those instances where the original assessment is believed to have been less than adequate.

In that its memoranda on graduate planning are meant to further an ongoing dialogue with the university community, Council's response to these suggested directions is positive and indeed enthusiastic. Following from Advisory Memorandum 75-IV, the primacy accorded by C.O.U. to considerations of quality is exactly in line with Council's own view of the public interest in the substantial investment that the Ontario graduate enterprise represents. As for the importance of firm institutional priorities, it was precisely to facilitate the making of hard institutional choices that Council espoused, in Advisory Memorandum 75-V, a period of formula suspension with respect to the funding of graduate work. The earlier role envisaged for ACAP in the planning of new programs can only enhance the soundness of major investment decisions. Finally, the recognition accorded to the need for reassessment where circumstances dictate is in direct response to the exhortation made by Council in this respect in Advisory Memorandum 75-IV.

In a setting where Council applauds the future directions of graduate program planning outlined by C.O.U., it seeks in this memorandum to expand dialogue on this subject by making concrete suggestions in two areas. The first involves the desirability of adopting a quinquennial approach to the planning process. The second invites immediate consideration of the need to establish a series of macroindicators that will yield a general profile of graduate programs and accordingly assist institutions as well as the collectivity in the development of the planning

process.

A Quinquennial Approach to Planning

Council's views on the desirability of a quinquennial approach to planning evolved from its institutional hearings in the spring of 1976. On this subject, Council is pleased to acknowledge its particular indebtedness to the brief submitted by the University of Toronto. Council discerns that a quinquennial approach offers major

advantages for the orderly development of graduate work in Ontario. Universities can plan within a fixed time horizon without the feeling that longer-run developments will be frustrated unless all program proposals are put forward at once. Universities can make their objectives more specific in response to the educational and economic environment that prevails within each quinquennium. It is easier and more realistic to set objectives for a five-year period than to discern them for an undefined future. There are times for growth and there are times for consolidation.

Council's spring hearings have made it clear that the launching of a first quinquennium will coincide with a time for consolidation. The situation will probably be vastly different with respect to a second quinquennium. By the mid-nineteen eighties, for example, it will be necessary to anticipate the general university staffing needs that are likely to materialize in the nineteen nineties. But for the purposes of the initial quinquennium the following are broadly indicative of the objectives that should be pursued:

i) the protection and enhancement of the quality of doctoral programs,

ii) the elimination or prevention of unnecessary duplication of graduate programs at all levels.

iii) the necessity of ensuring that the outstanding doctoral programs in Ontario

remain viable despite the possible decline in student numbers,

iv) the development of new fields of study in which there is a genuine need. So that the first quinquennium can be launched in an orderly fashion, Council would propose that the university community consider it as embracing the years

1979-80 through 1983-84.

By 1978-79, the three-year plans used in the past should have been replaced for each institution by a five-year plan encompassing this period. Council is particularly anxious to ensure that the first quinquennium begin on a foundation of rigorous appraisal schemes and of assessment methods that ensure high qualitative standards and as much consistency as possible between disciplines. Revised assessment and appraisal processes should therefore be well established by 1978-79. With respect to the more independent role envisaged for ACAP in the Report of the C.O.U. Special Committee on the Financial Implications of Graduate Planning, this too should already be an established reality. By 1978-79 Council for its part would undertake to recommend to Government a scheme of graduate funding designed to hold from 1979-80 through 1983-84.

It would be grossly premature for Council to make any suggestions at this time as to how established graduate programs might be funded during the first quinquennium. This must be deferred until some concrete observations of enrolment patterns during the current period of formula suspension are available. However with respect to new programs in the first quinquennium, Council will wish to discuss with the universities at its forthcoming spring hearings the advisability of the following stringent funding criteria. These would be that 1) a manpower need in Ontario and Canada is plainly apparent, 2) no similar program is available in Ontario,

and 3) the proposed program is rigorously appraised.

The new programs to which the above criteria would apply in the first quinquennium are to be distinguished from those programs that were in various stages of the funding approval process at the time of formula suspension. As Council has already pointed out in Advisory Memorandum 75-V, universities are free to mount such programs without financial penalty if they are part of existing plans and have been successfully appraised. Formula insensitivity to enrolment levels does of course necessitate hard priority choices on the part of institutions. Since this is one of the desirable end results of the period of formula suspension, Council would wish to devise a future funding arrangement that would protect

those programs that had indeed proceeded in the wake of such hard choices during

the period of formula suspension.

There is a distinct category of programs that demands a different kind of attention well before the advent of the first quinquennium. Council refers to programs already being funded that have been recommended for reappraisal by ACAP and C.O.U. Included in this category would be similar programs under assessment now and in the immediate future. Council invites C.O.U. to ensure that these programs are rigorously appraised for quality.

A Profile of Graduate Programs

To assist Council in coming to grips with the future of graduate funding, and for that matter to assist the universities and the collectivity in planning the first quinquennium, a general profile of graduate programs in Ontario is highly desirable. Given time constraints, Council believes on the basis of its spring hearings that immediate priority should be given to a profile of doctoral programs. During the last few years Council has been informed that student numbers have dropped dramatically in some doctoral programs and increased substantially in others. Coupled with this is the report that in some disciplines students leave before finishing their degree programs because they are offered good positions. In other disciplines they may leave because they cannot afford to complete the program. Council is also aware of the concern expressed by many researchers that support from the national granting agencies has decreased, at least in terms of purchasing power, over the past few years.

The present time is none too soon for an effort to bring such concerns under the light of statistical data. What is involved initially is the compilation of a few simple macro-indicators in a brief time series designed to capture recent trends. Council hereby formally requests the Council of Ontario Universities, through ACAP or such other agency as it chooses, to provide by June of 1977 five macro-indicators for each doctoral program in Ontario. The information should be presented discipline by discipline and delivered to all universities as well as to Council. For the years

1974-75, 1975-76 and 1976-77 the data should indicate:

1) the number of full time faculty and the number of part time faculty involved in

each program;

2) the number of full time students and the number of part time students registered in each program, for the above years and in addition for the years 1970-71, 1971-72, 1972-73 and 1973-74;

3) the number of students holding scholarships competitively awarded by agen-

cies external to the university;

4) the dollar level of the peer-adjudicated research grants awarded by national granting agencies to faculty within the program;

5) the number of doctoral degrees awarded.

Council believes that the information requested may well serve not only its own purposes but others that more properly pertain to the internal planning processes of the institutions and the collectivity. Thus, for example, the macro-indicators for all doctoral programs in a given institution may be of assistance as a starting point for individual governing bodies as they grapple with the problem of priorities for the future. At the system level it is possible that ACAP may find these indicators useful when the committee faces the questions about which disciplines should be assessed or re-assessed. In facing such questions, ACAP may well wish to collect more information than that requested. Meantime Council's purposes will have been served by the provision of the relatively straightforward and easily collected macro-indicators it has requested.

The Period of Formula Suspension

The period of formula suspension with respect to the funding of graduate work currently embraces the years 1976-77 and 1977-78. In Advisory Memorandum 75-V, Council stated that it wished to keep under advisement the question of whether enrolment insensitivity in the funding of graduate study should be extended to 1978-79 "so that it can duly weigh developments in planning and decision-making as they emerge."

Council's spring discussions with the university community, together with the preparation required for the quinquennial approach to planning suggested in this Memorandum, speak in favor of extending the period of formula suspension to

1978-79. In its own presentation to Council, C.O.U. stated that

"To provide a period of reasonable stability for the revision process and to provide a better data base on which to assess the results of the desensitization of funding to enrolment, it is recommended that the new funding procedure adopted in Advisory Memorandum 75-V be extended for an additional year."

In light of these considerations, Council recommends to the Minister

OCUA 76-11

Extending the Period of Formula Suspension with respect to the Funding of Graduate Work

That the current period of formula suspension with respect to the funding of graduate work be extended to 1978-79.

J.S. Dupré Chairman

October 2, 1976

# 76-V Funding Arrangements for Programs of the Ryerson Polytechnical Institute in 1977-78 and 1978-79

By letter of October 14th 1975, the Minister of Colleges and Universities formally referred to Council the task of advising on "continued funding of unauthorized degree programs at Ryerson Polytechnical Institute." Since this reference was received, Council and its staff have met formally and informally with representatives of Ryerson and officials of the Ministry of Colleges and Universities to explore past problems and possible courses of action for the future. At this time, Council is prepared to advise formally on the funding of Ryerson programs for the years 1977-78 and 1978-79. By the end of this two-year period, Council will produce firm advice on the mechanisms through which Ryerson programs can be fully authorized for funding purposes.

The Unique Role of Ryerson

From its inception, and through three decades of rapid change in its environment, Ryerson has sought to be unique among institutions of higher education in Ontario in its curricular orientation and practical emphasis. Ryerson offered specific programs of instruction in response to identified needs that were province-wide and indeed national in scope. In the words of its current President, "Ryerson served a need; there was no necessity to hammer out an identity. The function was the

identity. The Institute's success was its justification."

The advent of the provincial Colleges of Applied Arts and Technology high-lighted the desirability of bringing into clearer focus a uniqueness henceforth circumscribed by a post-secondary system dominated on the one hand by traditional universities and on the other by the new Colleges. Whether Ryerson would preserve its uniqueness in association with either of these camps, or would be assimilated into one or the other, has been a question whose answer has not been clarified to the satisfaction of all concerned. A case in point is the Five-Year Plan for the period 1976 to 1981 submitted in the spring of 1976 by Ryerson to Council. Council agrees with Ryerson that this document constitutes only a preliminary step but feels obliged to observe that the Plan does not allay concern that Ryerson may be moving toward degree programs whose scope is characteristic of those traditionally offered in Ontario universities.

If Ryerson is to be assisted in preserving its uniqueness, the more obvious

structural alternatives include:

a special relationship between Ryerson and the Ontario Council on University
Affairs whereby Council itself, or its appointed agents, would undertake to
review and approve each new program or program change proposed by
Ryerson;

 a special relationship between Ryerson and the Ontario Council on University Affairs whereby Council itself, or its appointed agents, would review and

approve a detailed plan for Ryerson every five years;

 internal changes in the governance of Ryerson, including possible amendments to its Act, such as to ensure that community, business and labour representatives would have direct input into, and a major say in, the planning

and approval of each and every program.

Through its Chairman and Vice-Chairman, Council has already encouraged Ryerson to explore these and other alternatives. The eventual choice and, for that matter, the inherent value of Ryerson's uniqueness, should be determined within the next two years. At a meeting with Council in November of 1976, Ryerson declared itself in favour of bringing forward all degree programs for Council's funding approval in future. Given the alternatives outlined above, Council believes that its endorsement of this proposal would be premature at this time.

Council's explicit preference is for what appears to be a broader recommendation advanced by Ryerson at the same meeting whereby the Institute will bring forward acceptable mechanisms for assuring that all degree programs "will have an appropriate level of academic excellence, a clearly expressed societal need and a defined level of financial viability." This does not prejudge the eventual choice of a suitable structural alternative. Council would add, however, that such mechanisms as might be advanced by Ryerson should not be limited in scope to new degree programs. Rather, they should provide a framework within which all offerings, including certificates and diplomas as well as degrees, might be reassessed on a cyclical basis so as to ensure an explicit balance among societal needs, the creation of new programs and the continuation of existing programs.

Ryerson envisages that a two-year period will be required before it can devise the mechanisms it would wish to bring forward for Council's assessment. During this time, Council expects to meet with the Institute both formally and informally to discuss its progress. Council must be apprised of Ryerson's final conclusions in the autumn of 1978 so that its own advice can be forwarded to the Minister in time

to affect funding decisions for 1979-80.

#### Interim Arrangements for 1977-78 and 1978-79

The years 1977-78 and 1978-79 require interim arrangements for the funding of Ryerson programs. These arrangements should encompass all existing certificate and diploma programs. With respect to degree programs, Council accepts Ryerson's explicit undertaking, outlined in November of 1976, not to present any new degree programs for funding during the two years involved. Ryerson noted that Nursing might constitute the sole exception to this undertaking but Council is not

prepared to hold out any promise at this time.

There remains the question of what are to be deemed "existing degree programs" for the purpose of the interim arrangements. This question arises because Ryerson degree programs, with the sole exception of Applied Geography, have been funded under special dispensation from the Minister. This dispensation was granted because of an apparent misunderstanding by Ryerson of funding approval procedures. Council has reviewed correspondence between the Ministry of Colleges and Universities and Ryerson during the years 1972 through 1975. Council has concluded that no reasonable cause for misunderstanding continued to exist once a letter dated December 18, 1974 from the Assistant Deputy Minister (University Affairs Division) was received by Ryerson. To Council it follows that the devising of interim arrangements for 1977-78 and 1978-79 is not the appropriate occasion for enlarging the terms of what is already a special funding dispensation. These interim arrangements should, therefore, be limited to the degree programs funded under special dispensation in 1976-77.

The following are consequently deemed to lie beyond the scope of "existing programs" for funding purposes in 1977-78 and 1978-79: the fourth year of the degree program in Graphic Arts Management, and the final year of the degree program in Air Transport Engineering. With respect to the recently restructured program in Social Services, Council concludes that it can be embraced by the interim funding arrangements because it is essentially a revised version of the degree program already covered by special dispensation. Council accordingly

recommends to the Minister:

#### OCUA 76-12

Interim Arrangements with Respect to Operating Grants to Ryerson for 1977-78 and 1978-79

That for funding purposes in 1977-78 and 1978-79, the eligible Ryerson degree, diploma and certificate programs be those programs that were funded in 1976-77, it being understood that the funding eligibility of enrolment in Air

Transport Engineering, Graphic Arts Management and Social Services will be determined in a manner consistent with the considerations outlined in this memorandum.

In concluding this memorandum, Council wishes to take note of a specific Ryerson request in the realm of capital funding. This request is that during the two-year period of interim funding arrangements with respect to operating grants, Ryerson should not be put at any disadvantage in terms of bringing forward its capital needs in the normal fashion. In a setting where the extremely restricted availability of capital funds has placed all institutions in a disadvantaged position, it is Council's view that no particular purpose would be served by specifying additional restrictions for Ryerson.

J.S. Dupré Chairman

December 10, 1976

## 76-VI The Allocation of the Government's Operating Support for the University System in 1977-78

On November 25, 1976, the Minister of Colleges and Universities announced to the Legislature of Ontario the Government's expenditure target for the operating support of the university system in 1977-78. Simultaneously, the Minister announced an adjustment to fees and "suggested that universities increase their tuition fee for a two term academic year by \$100." Taken together, these announcements produce a fiscal result that fully meets the funding recommendations advanced by Council in Advisory Memorandum 76-III with respect to operating support in 1977-78.

In this Memorandum, Council advises on the distribution of \$689.6 million in operating grants, which is the Government's global target of \$703.1 million less \$13.5 million retained by the Minister for items under Ministry budget review. The portion of the \$689.6 million that can be recommended for distribution by formula in the form of graduate and undergraduate grants is determined, with due allowance for contingency and the funding of theology programs, after Council has made its recommendations on Northern Ontario, Bilingualism, Supplementary and

Special Grants for 1977-78.

#### **Northern Ontario Grants**

For 1976-77, which was the second year in which Northern Ontario grants were paid, Council took pains to develop a method whereby the level of these grants could be readily calculated from year to year until further notice. In devising what is essentially a "mini-formula" for Northern Ontario grants Council wished to give to each Northern institution a measure of predictability in its forward budgetary planning. The elements of the mini-formula, together with their applicability to each institution, are fully outlined in Advisory Memorandum 75-VII. Council has applied these elements in calculating grant amounts for 1977-78, and accordingly recommends to the Minister:

#### OCUA 76-13

Northern Ontario Grants 1977-78

That Northern Ontario Grants be made in 1977-78 in the following amounts:

 Lakehead
 \$1,257,000

 Laurentian
 \$1,223,000

 Algoma
 \$158,000

 Hearst
 \$92,000

 Nipissing
 \$187,000

**Bilingualism Grants** 

At the present time, Council remains in search of methods whereby the level and distribution of bilingualism grants could come to acquire some of the elements of the predictability that prevails with respect to Northern Ontario grants. Council gratefully acknowledges the assistance it has been receiving in this search from the Advisory Council for Franco-Ontarian Affairs. Council is likewise indebted to that body for its suggestions on the determination of these grants for 1977-78, which hopefully will be the last year in which bilingualism grants must be recommended without prejudice to the level or distribution that should prevail after the completion of adequate study. In line with these suggestions, Council has increased the total bilingualism grants that were paid in 1976-77 by the percentage increase over 1976-77 that will likely materialize in the total Basic Operating Income of the eligible institutions, including in the cases of Glendon, St. Paul and Sudbury, the Basic Operating Income of the universities with which they are affiliated. So that the total amount assigned to bilingualism grants for 1977-78 is firmly fixed, Council deems its preliminary estimate of 1977-78 Basic Operating Income made

for the purpose of the immediate exercise as yielding the final percentage adjustment warranted for total bilingualism grants in that year. In that Council's estimate of Basic Operating Income in the eligible institutions for 1977-78 represents an increase of 9.84 percent over 1976-77, the application of this percentage to the \$3,849,000 disbursed in bilingualism grants during 1976-77 yields a total available for 1977-78 of \$4,228,000. As for the allocation of this total, Council after due deliberation has adopted the suggestion of the Advisory Council for Franco-Ontarian Affairs that the distribution be identical to that which prevailed in 1976-77. Council accordingly recommends to the Minister:

#### OCUA 76-14

Bilingualism Grants 1977-78

That bilingualism grants be made in 1977-78 in the following amounts:

Ottawa	\$3,172,000
	, ,
Laurentian	\$758,000
Glendon	\$177,000
Hearst	\$25,000
Sudbury	\$32,000
St. Paul	\$64,000

#### **Supplementary Grants**

The area of supplementary grants has had, since the time of Council's formation, a prominent place on its agenda and has been discussed at length in its advisory memoranda. As a result of Advisory Memorandum 75-VII and the Minister's acceptance of the recommendations therein, only three universities — Lakehead, Laurentian and Trent — may be considered for supplementary grants in 1977-78.

In line with the considerations laid out in that Memorandum, Council re-emphasizes that time as well as size must play a prominent role in the emergence of these institutions onto formula funding. As Council noted in that document, emphasis on time as a criterion for emergence is not new and indeed was repeatedly urged in the period 1969-73 by the Committee on University Affairs, officials of the Ministry of Colleges and Universities, and indeed the Minister of Colleges and Universities. In associating itself explicitly with this emphasis, Council unambiguously expressed its wish "to communicate to Lakehead, Laurentian and Trent in the clearest possible terms that its advice to Government will in the coming years openly urge further emphasis on time as a major factor in emergence onto formula funding."

In arriving at a level of supplementary grants it deems appropriate for 1977-78, Council has chosen to remain true to the clear thrust of its communication by moderately accelerating year-to-year reductions in the amounts recommended, while maintaining awareness of the immediate impact of enrolment averaging on formula income and of the proportion of Basic Operating Income represented by the supplementary grants of the recipient institutions. Council accordingly

recommends to the Minister:

#### OCUA 76-15

Supplementary Grants 1977-78

That supplementary grants be made in the following amounts:

montary grante be made	in the following amounts.
Lakehead	\$750,000
Laurentian	\$500,000
Trent	\$1,400,000

**Special Grants** 

Ontario College of Art. Upon the transfer of the Ontario College of Art to the operating grants formula in 1976-77, that institution remained eligible, pursuant to a five-year agreement reached in 1973, for an annual rental grant of \$50,000 whose payment in 1977-78 will represent the final instalment. Council accordingly recommends to the Minister:

OCUA 76-16

Rental Grant to the Ontario College of Art, 1977-78

That a grant of \$50,000 be made to the Ontario College of Art for 1977-78, it being understood that existing policy with respect to money for taxes on leased property will obtain.

Having made the above recommendation, Council retains under advisement a request by the College for special recognition of its future rental needs. Council will weigh this request in the context of its system-wide implications, if any, once certain outstanding questions with respect to a capital grant for the College have been clarified.

Bar Admission Course. In arriving at a recommendation for a partial grant-in-aid to the Bar Admission Course, Council has adhered to the observations made with respect to Course funding in Advisory Memoranda 74-II and 75-VII. Council notes that the Bar Admission Course in 1977-78 will continue to share with the university system the twin pressures of inflation and enrolment growth. In the context of a special grant-in-aid, Council deems it sufficient to recognize these pressures by applying to the 1976-77 Course grant of \$400,000 an adjustment similar to that accorded by the Government of Ontario in setting its expenditure target for the university system as a whole, namely 8 percent. In that students in the Bar Admission Course remain eligible for financial aid under the Ontario Student Assistance Program, the adjusted grant should be contingent on a situation where the fee charged in 1977-78 by the Law Society of Upper Canada to students in the Course will not exceed the 1976-77 fee by more than \$100. Council accordingly recommends to the Minister:

OCUA 76-17

Grant on Behalf of the Bar Admission Course to the Law Society of Upper Canada, 1977-78

That, on the understanding that the fee charged to students in the Bar Admission Course in 1977-78 will not exceed the fee charged in 1976-77 by more than \$100, a grant of \$432,000 be made in 1977-78 on behalf of the Course to the Law Society of Upper Canada.

**GFU and BIU Values Under the Government's Expenditure Target for 1977-78**As noted at the beginning of this Memorandum, the Government's expenditure target for 1977-78 yields a total of \$689.6 million for the purpose of the present allocation exercise. Table I deducts from this total the expenditures represented by the grant recommendations made above. Also deducted is the amount of \$6,668,000 as an allowance for contingency and for the funding of theology programs. This amount takes due cognizance of the uncertainties generated by the initiation of a new student counting method in 1976-77. After these deductions, the remainder available for distribution at this time in the form of graduate and undergraduate formula grants is \$672,655,000. Given the suspension of the formula with respect to graduate enrolment, the total number of graduate funding units is frozen at the level that obtained in 1975-76. Council acknowledges the representations it

has received for exemptions from the freeze but has concluded that the departures involved would only undermine the processes of system-wide graduate program planning that formula suspension was meant to strengthen. There is, however, a single case devoid of system-wide planning implications which Council is inclined to allow. The program in question is the Master of Science in Watershed Ecology at Trent University.

This is the sole program that received a positive funding recommendation from Council after the imposition of the graduate freeze. The recommendation (OCUA 75-17) was made in Advisory Memorandum 75-VII on the ground that Watershed Ecology was "the lone program concerning which Council received a formal COU request for funding during the period that intervened between the submission of Advisory Memorandum 75-IV to the Minister on June 21st (1975) and the release to the university community of that Memorandum together with the Minister's response on July 22nd." Council's clear intention in making this recommendation was to permit any students who might have enrolled in Watershed Ecology at Trent in 1975-76 to be included in that institution's count of Graduate Funding Units.

Availability of Funds For the Distribution of Graduate and Undergraduate Formula Grants in 1977-78								
Available	for Council's Allocative Recommend	ations	\$689,600,000					
Deduct								
	Northern Ontario Grants	\$2,917,000						
	Bilingualism Grants	4,228,000						
	Supplementary Grants	2,650,000						
	Ontario College of Art							
	Rental Grant	50,000						
	Bar Admission Course	432,000						
	Sub-total	10,277.000						
	Contingency and Theology	, ,						
	Programs	6,668,000						
	Total Deductions	,	16,945,00					
Available	\$672,655,000							

In fact, no students enrolled in this new graduate program in 1975-76. During that academic year, however, Trent received the preliminary draft of the revised Operating Formula Manual that was issued to all institutions for discussion purposes. That draft, taking due account of Council's recommendation on the subject, referred explicitly to the Trent M.Sc. in Watershed Ecology. By inadvertence, however, the draft erroneously referred to the funding eligibility of students enrolled in the program during 1976-77 rather than 1975-76. On the basis of this draft, the Trent University Senate formally authorized the admission of six students to Watershed Ecology.

In the face of these truly extraordinary circumstances, Council is prepared to resolve the issue to the benefit of Trent University by allowing that institution twenty-four additional Graduate Funding Units for the balance of the period of

formula supension with respect to the graduate student funding count. Council accordingly recommends to the Minister:

#### OCUA 76-18

Additional Graduate Funding Units for Trent University

That the Trent University count of Graduate Funding Units be augmented by twenty-four units, the resulting Trent total to remain in effect for the duration of the period of formula suspension with respect to the graduate student funding count.

A decrease of one dollar on the value of the Graduate Funding Unit flows from the above recommendation. For the rest, Council's calculation of Graduate Funding Unit and Basic Income Unit values, while incorporating the differential established in 1976-77, goes on to take full cognizance of the undergraduate enrolment growth realised for funding purposes on the three-year average that obtains with respect to 1977-78, together with the appropriate adjustments that must be made to both graduate and undergraduate formula fees. In addition, account is taken of the practice whereby, in 1977-78, the grants actually paid to each institution will be reduced by the difference between the formula fee applicable to designated foreign students and the normal formula fee. To ensure that the operating grant total that is available under the Government's expenditure target will in fact accrue to the university system, the unit values must be calculated on the basis of an available total for formula distribution of \$674.655,000. which is \$2 million higher than the grant residue shown in Table I. The \$2 million is the Minister's estimate of additional foreign student fee revenue in 1977-78, and was duly taken into account in the funding advice that Council submitted in Advisory Memorandum 76-III.

On the basis of the above, and noting again the amount set aside for contingency and the funding of theology programs, Council recommends to the Minister:

#### OCUA 76-19

GFU and BIU Values for 1977-78

That the GFU value in 1977-78 be not less than \$2,457 and the BIU value be not less than \$2,519.

In Table II, Council summarizes the end results of the allocation exercise undertaken in this Memorandum by tabulating the Basic Operating Income that accrues for 1977-78 to each of the institutions in the university system. This Table records as well the recommended levels of Northern Ontario, bilingualism, supplementary and special grants where applicable. The percentage column on the right hand side of the Table measures the percentage increase in Basic Operating Income, or where appropriate the percentage increase in Basic Operating Income plus designated grants, over the corresponding totals for 1976-77.

J.S. Dupré Chairman

January 21, 1977

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		Per Cent Change	7.5	8.4	9.1	8.0	8.8	4.6	16.4	5.7	9.7	9.5	9.9	0.6	6.5	10.4	8.4	9.8	11.5	10.0	7.7	9.1	13.9	9.3	
// (\$ thousands)	1976-77	BOI plus Northern Bilingualism Supplementary and Special Grants	12,620	40,630	45,619	13,504	13,672	1,467	1,696	473	50,339	58,641	49,982	162,974	9,312	56,711	77,439	13,964	33,482	59,810	29,231	9,883	4,066	745,515	400
Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 76-VI (\$ thousands)		BOI plus Northern Bilingualism Supplementary and Special Grants	13,572	44,028	49,755	14,590	14,872	1,534	1,974	200	55,216	64,207	54,920	177,676	9,920	62,637	83,936	15,338	37,326	62,809	31,476	10,783	4,633	814,702	432
idations in Advisor	ONS	Special or Unallocated Grants																					50	50	432
d Grant Recommer	1977-78 RECOMMENDATIONS	Supplementary Grants				750	200								1400									2650	
ating Income an	1977-78	Bilingualism Grants					790			25		3172								177				4164	
Basic Oper		Northern Ontario Grants				1257	1223	158	187	92														2917	
stribution of		BOI	13,572	44,028	49,755	12,583	12,359	1,376	1,787	383	55,216	61,035	54,920	177,676	8,520	62,637	83,936	15,338	37,326	65,632	31,476	10,783	4,583	804,921	
Dis			Brock	Carleton	Guelph	Lakehead	Laurentian	Algoma	Nipissing	Hearst	McMaster	Ottawa	Queen's	Toronto	Trent	Waterloo	Western	Wilfrid Laurier	Windsor	York	Ryerson	OISE	College of Art	TOTAL	Bar Admission

## **76-VII Formula Sensitivity to Undergraduate Enrolment Change**

In Advisory Memorandum 75-VII, Council initiated "a gradual process whereby the formula that remains ongoing in the undergraduate sector can acquire some reduced sensitivity to enrolment change." The first step in this process took effect in 1976-77 when the formula distribution of operating grants departed from the "slip year" count in effect since 1973-74. Under the "slip year" approach, undergraduate formula grants in 1976-77 would have been distributed in accordance with the weighted undergraduate enrolment (Basic Income Units or BIU's) reported by each institution for 1975-76. Instead, these grants were distributed in accordance with a two-year average in which a one-third weight was assigned to BIU's reported in 1974-75 and a two-thirds weight to those reported in 1975-76.

The second step in the process of gradually reducing formula sensitivity to enrolment was announced at the same time as the first and takes effect in 1977-78. Undergraduate formula grants in that year are to be distributed in accordance with a three-year average in which the number of BIU's reported in each of 1976-77.

1975-76 and 1974-75 are weighted equally.

Preparation for yet a third step preoccupied Council during much of the last year. To Council, it seemed essential to assess the question of formula sensitivity to enrolment in the context of both short and long-run considerations affecting the future of the university system. This is done in the Introduction to Council's Third

Annual Report.

In this Memorandum, Council addresses the specific details of what should constitute the third step in reducing the enrolment sensitivity of undergraduate formula grants. For reasons outlined in the Introduction to the Third Annual Report. Council's advice should encourage and contribute to predictability and stability in Government funding of the university system. At the same time, it should permit the degree of flexibility required in a setting where there exists substantial uncertainty about future enrolment levels and the capacity of the university system to meet demand for student places. Finally, Council's advice on a formula allocation mechanism should be consistent with the advice it offers on the global funding of the university system. If Council's advice on global funding incorporates a discount on the funding of enrolment growth, the appropriate allocative mechanism is one that achieves a basically similar reduction in the credit accorded to the additional BIU's that accrue to institutions by virtue of enrolment growth. Such symmetry is essential if the funding of enrolment growth is to be kept distinct from the funding that enables the university system to cope with inflation and the real costs of maintaining existing levels of service.

The first two steps in reducing the sensitivity of undergraduate formula grants to enrolment growth introduced a mechanism of multi-year enrolment averaging. Such averaging contributes to predictability and stability in Government funding of universities because it insulates the revenues of individual institutions from reflecting all at once the full effect of enrolment perturbations, whether up or down, in any given year. As a prelude to possible further steps to reduce the enrolment sensitivity of the formula, the three-year average in effect in 1977-78 is flexibly open to any of a number of alternatives, including for example either the further lengthening of the average or a forward movement of the three-year average with or without the application of special discount mechanisms. Such alternatives received considerable attention in the course of Council's spring hearings with the university community. At those same hearings, the importance of selecting alternatives that are broadly consistent with Council's funding advice was widely

appreciated.

Because the three-year average introduced in 1977-78 involved the lengthening of the two-year average in effect in 1976-77, it was basically symmetrical with Council's advice on global funding for 1977-78, in which the estimated costs of additional enrolment growth were discounted by an "excess capacity factor" of 50 per cent. For reasons given in the Introduction to its current Annual Report, Council proposes to submit advice on global funding for 1978-79 whose growth component will again be discounted by 50 per cent. Substantial uncertainty, however, attaches to whether a similar discount should apply beyond that year, and to what level of discount, if any, might be appropriate from year to year thereafter. It follows that the next step in revising formula sensitivity to undergraduate enrolment should permit sufficient latitude for adjustments in formula distribution designed to reflect whatever changes in the growth component of global funding future circumstances might warrant.

After careful study and reflection, Council has concluded that the most appropriate means of achieving the needed latitude is to have recourse to an annually moving average whose difference from a stated base could be discounted by a variable percentage that reflected the treatment accorded to the growth component of global funding. The Council of Ontario Universities has made a number of efforts in the past to devise a base against which variations in enrolment levels might be taken into account. These efforts were complicated by a setting where slip-year financing generated for each institution a single-year base that inevitably reflected what any of a number of institutions might view as undue enrol-

ment perturbations peculiar to that year alone.

The achievement in 1977-78 of undergraduate formula funding geared to a three-year average has greatly reduced this source of difficulty by muting whatever perturbations in enrolment may have been peculiar to any institution in any given year. To Council this invites the establishment, beginning in 1978-79, of an Undergraduate Formula Funding Base, this base being composed of the average number of eligible undergraduate BIU's reported by each institution during the years 1974-75, 1975-76 and 1976-77. Because the Undergraduate Formula Funding Base incorporates three years of reported units, it has the added advantage, much appreciated by Council in Advisory Memorandum 75-VII, of permitting a gradual phasing of such program weight changes as might be approved from time to time. Council accordingly recommends to the Minister:

#### OCUA 76-20

Establishment of an Institutional Undergraduate Formula Funding Base for the

Calculation of Undergraduate Formula Grants

That, beginning in 1978-79, the average number of eligible undergraduate BIU's reported by each institution during the years 1974-75, 1975-76, and 1976-77, be henceforth deemed the Undergraduate Formula Funding Base of each institution.

An Undergraduate Formula Funding Base should be accompanied by the establishment of a three-year moving average reflecting weighted enrolment levels in the three years immediately preceding the granting year. For 1978-79, this would be the average number of BIU's reported in 1975-76, 1976-77 and 1977-78. There is widespread agreement among the institutions that a three-year moving average is sufficient to generate needed protection from annual perturbations. Council therefore recommends to the Minister:

#### OCUA 76-21

Establishment of a Moving Three-Year Average for the Calculation of Under-

graduate Formula Grants

That, beginning in 1978-79, undergraduate formula grants be calculated with reference to the Undergraduate Formula Funding Base of each institution plus or minus the difference between the average number of

undergraduate BIU's reported by each institution in the three years preceding the granting year and the Undergraduate Formula Funding Base.

If undergraduate formula grants to each institution are to be calculated with reference to the number of BIU's in the Undergraduate Formula Funding Base plus or minus the difference between the number of undergraduate BIU's in a three year moving average and this Base, what remains necessary is the designation of a percentage by which the change represented by the number of BIU's in the moving average should be discounted in any given year. In a period of system-wide growth, this percentage should be similar to that by which the growth component of global funding has been discounted. If such a growth period is followed by an era of system-wide enrolment decline, a like percentage should be applied to the extent that Government accepts the principle of stabilizing university revenues from undue decline.

It is in the discounting of the difference between the moving three-year average and the Undergraduate Funding Base that formula sensitivity to enrolment can come to make its full contribution to the long-run stabilization of university revenues. However, given the uncertainties that surround future enrolment levels and the capacity of the university system to absorb them, it is inadvisable to gauge an appropriate percentage more than one year at a time. Even on an annual basis, the confirmation of such a percentage must be contingent upon the actual treatment accorded by Government to growth (or subsequently to stabilization) in its global funding.

Within this important caveat, early annual announcements of Ministerial intent with respect to the coming year contribute a needed measure of short-range predictability. For reasons outlined in the Introduction to Council's current Annual Report, Council believes that the appropriate announcement of Ministerial intent for 1978-79 is one that proposes to discount the difference between the moving average and the Undergraduate Funding Base recommended above by 50 per cent. Council accordingly recommends to the Minister:

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OCUA 76-22

Distribution Mechanism with respect to Undergraduate Formula Grants for 1978-79

That the Minister give early notice of intent that undergraduate formula grants in 1978-79 be distributed to each institution in relation to the following: the number of BIU's in the Undergraduate Formula Funding Base plus 50 per cent of the difference between the average number of BIU's in 1977-78, 1976-77 and 1975-76 and the number of BIU's in the Undergraduate Formula Funding Base.

J.S. Dupré Chairman

February 25, 1977

### 76-VIII Capital Assistance

As noted in Advisory Memorandum 76-III, the early call for Council's advice with respect to Government support of the university system in 1977-78 necessitated a continued ad hoc approach to calculating the level of capital assistance that Council deemed advisable for that year. As it happened, Government did not find it possible to generate the full amount necessary to protect what Council called an "interim plateau" of capital assistance. During 1976-77, Government experienced similar difficulties in meeting the funding level that had been prescribed for that year.

It is clear that the current environment with respect to capital assistance is one of severe financial constraint. Council will make continuing efforts to ascertain the space needs of the university system, whether of a long-run or temporary nature. It will also keep under active consideration the question of how capital assistance for building renovation, alteration and replacement could be distributed at least in part by a formula. Under the immediate circumstances of extremely limited funding, however, Council believes that the only feasible way to distribute capital grants is

through decision-making by Ministerial discretion.

Decision-making by Ministerial discretion after individual project review by Ministry officials is in fact what has served the university system with respect to the distribution of capital funds since the imposition of the near-moratorium on capital grants in 1972. In this Memorandum, prepared after due consultation with Ministry officials and the university community, Council seeks in turn to serve the existing process of decision-making by outlining some guidelines and criteria that should apply in the consideration of individual capital projects for funding. Council believes that the articulation of such guidelines and criteria may help to simplify decision-making and to clarify the expectations of the university community. Council's guidelines and criteria are outlined below under two headings:

1. New Construction that Adds to Institutional Space.

2. Building Renovations, Alterations and Replacement.

**New Construction that Adds to Institutional Space** 

Given the long-run considerations outlined in the Introduction to its Third Annual Report, Council believes that it "should create no expectations whatever that capital grants might become available to fund buildings that would permanently add to institutional enrolment capacity." In this context the appropriate guidelines are ones that permit only two kinds of new construction that add to institutional space.

The first type of new construction allowable would be for institutions with a serious space deficiency compared with other institutions in the system. Such deficiencies should be adjudicated with reference to standards in the system as a whole.

A second type of new construction allowable would be that which remedies a serious space deficiency in facilities relating to particular activities or functions. Examples might include athletic facilities and libraries. Each individual need for such funds would have to be assessed separately and would have to be examined in the context of a measure of adequacy in comparison with similar facilities in the university system.

Council accordingly recommends to the Minister:

#### OCUA 76-23

New Construction that Adds to Institutional Space

That, in the realm of new construction that adds to institutional space, the only projects eligible for the exercise of Ministerial discretion be those which remedy a serious space deficiency:

- (a) in an institution generally vis-à-vis other institutions, and
- (b) in facilities relating to particular activities or functions.

**Building Renovations, Alterations, and Replacement** 

Council has steadfastly recognized the importance of properly maintaining the existing physical facilities of the university system. This has normally been seen as a matter of renovations and alterations, but Council believes that building replacement projects should be permitted to compete on equal terms with renovation and alteration projects where replacement is the more economic alternative. Accordingly, the guidelines and criteria set out below should apply equally to the eligibility of renovation, alteration, and replacement projects.

Guidelines. To be eligible for a funding decision by Ministerial discretion, building renovation, alteration and replacement projects should satisfy all of the

following guidelines:

(1) Projects should not add to the total gross square feet of the institution.

(2) The minimum allowable value of the project should be \$25,000 per project per building.

(3) The cost of furniture, furnishings and equipment should be allowable only when these items are an integral part of a building renovation, alteration or replacement project.

In the first guideline the term 'gross square feet' rather than 'net assignable square feet' is used to ensure that projects designed to permit more effective use of space will be eligible for consideration. A minor exception to the limitation on gross square feet might be made where code requirements necessitate adding to gross square feet, as in the case of external fire wells.

With respect to the second guideline, Council believes most strongly that when capital grants are viewed as a component of educational funding policy, they should be for bona fide capital projects only. To prevent normal repairs and maintenance from being disguised as capital, capital projects should be defined as projects which have a minimum dollar value per building. Projects should not be lumped together either within a building or across a number of buildings to satisfy this minimum value. At this time, Council endorses the \$25,000 minimum value that has been in effect but registers the opinion that this amount should henceforth be examined at regular intervals to assess whether changes are necessary as a result of inflation or project cost experience. In Advisory Memorandum 74-IV, Council recognized a single source of exceptions to its second guideline. Such exceptions will arise at those times when university maintenance or construction projects are viewed by Government as instruments of policy other than educational policy. Grants given in respect of an employment creation policy are a case in point and their temporary nature should be clearly understood.

The third guideline limits capital funding of furniture and equipment to those items that form an integral part of a building renovation, alteration, or replacement project. This is because Council has made specific allowance for the replacement of furniture and equipment as operating expenditures in its funding level advice for

the last three years.

*Criteria.* Within the above guidelines, a renovation, alteration or replacement project should be eligible only if it satisfies one or more of the following criteria:

- (1) emergency
- (2) code requirements
- (3) operating cost savings
- (4) energy savings
- (5) encouragement of more effective use of space

(6) age-quality correction process(7) historical significance

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The first four criteria require no elaboration. Where criterion (5) is applied. Council believes that "more effective use of space" should be judged in terms of existing programs and courses, including shifts in student preference among these programs and courses. However, changes whose primary result is to accommodate additional programs and courses should not be eligible for capital assistance, save in truly exceptional circumstances, e.g. a clearly established manpower or other

need whose validity has been recognized as a matter of public policy.

Criteria (6) and (7) probably involve additions to the criteria that have been in recent use. Although no formal age-quality factor can be recommended at this time, renovation and alteration projects which are aimed at correcting age-quality differentials should be considered eligible for funding by Ministerial discretion. Also, a particular case can be made for renovation of an older building rather than replacement when the building is of historical significance. Council accordingly recommends to the Minister:

OCUA 76-24

Eligibility Guidelines and Criteria for Building Renovation, Alteration, and Replacement Projects

That, in the realm of building renovation, alteration, and replacement projects, Ministerial discretion be exercised in line with the eligibility guidelines and criteria set out in this Memorandum.

Council retains its interest in receiving annually the list of projects submitted by universities and those actually funded by the Ministry. There is some concern on Council's part that the restricted availability of capital funds has perhaps induced universities to accord priority to small projects over large projects. Council intends to ascertain the extent to which small projects may have displaced larger projects for which a greater need exists.

J.S. Dupré Chairman

February 25, 1977

**OCUA Public Meetings**, 1976-77



## **OCUA Public Meetings, 1976-77**

#### Meetings with Province-Wide Organizations

Date	Organization (Location)
7/5/76	Ontario Federation of Students (Queen's University Campus, Kingston)
8/5/76	Council of Ontario Universities (Queen's University Campus, Kingston)
8/5/76	Confederation of Ontario University Staff Associations (Queen's University Campus, Kingston)
14/5/76	Ontario Confederation of University Faculty Associations

(Prince Hotel, Toronto)

**Topical Meetings** 

In 1974-75 and 1975-76 Council held annual public hearings individually with each of the institutions under its purview. In 1976-77 an experiment with a somewhat different pattern of institutional hearings was undertaken in a topical format. The views of individual institutions were solicited and small delegations from each of the fifteen provincially-assisted universities, the Ontario College of Art, the Ontario Institute for Studies in Education and Ryerson Polytechnical Institute met as a group with Council to discuss each of the six broad topics indicated below.

Date	Topic (Location)
14-15/5/76	Long Range Planning and Capital Assistance Policy (Prince Hotel, Toronto)
11-12/6/76	Graduate Program Planning and Research (Prince Hotel, Toronto)
18-19/6/76	Operating Finances and Tuition Fees (University of Waterloo Campus, Waterloo)



OCUA Recommendations and Government Responses, 1976-77

## OCUA Recommendations and Government Responses, 1976-77

Recomme Number	endations Title	Response
	(Advisory Memorandum 76-I)	
76-1	Government Funding of Correspondence Courses for Degree Credit	Accepted
	(Advisory Memorandum 76-II)	
76-2 (75-3)	Ontario Graduate Scholarship Program Eligibility	
76-3	Ontario Graduate Scholarship Stipends, 1977-78	Partially accept See Minister's
76-4	Abolition of Institutional Ontario Graduate Scholarship Awards in Universities with Doctoral Programs	letter of Octobe 5, 1976 which
76-5	Number of Ontario Graduate Scholarship Awards in 1977-78	follows this tab
76-6	Income Limitations on Ontario Graduate Scholarship Holders	/
	(Advisory Memorandum 76-III)	
76-7	Funding Level for 1977-78 to Meet the Cost of Basic Objectives in Funding the Operation of the Provincially Assisted Universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art	Accepted
76-8	Funding Level for 1977-78 on behalf of the Bar Admission Course and Theology Programs	Accepted
76-9	Funding Level to Recognize Additional Need of the University System	Accepted
76-10	Level of Capital Assistance for 1977-78	Partially Accepte
	(Advisory Memorandum 76-IV)	
76-11	Extending the Period of Formula Suspension with Respect to the Funding of Graduate Work	Accepted
	(Advisory Memorandum 76-V)	
76-12	Interim Arrangements with Respect to Operating Grants to Ryerson for 1977-78 and 1978-79	Accepted
	(Advisory Memorandum 76-VI)	
76-13	Northern Ontario Grants 1977-78	Accepted
76-14	Bilingualism Grants 1977-78	Accepted
76-15	Supplementary Grants 1977-78	Accepted
76-16	Rental Grant to the Ontario College of Art, 1977-78	Accepted
76-17	Grant on Behalf of the Bar Admission Course to the Law Society of Upper Canada, 1977-78	Accepted
76-17 76-18		Accepted Accepted

	(Advisory Memorandum 76-VII)	
76-20	Establishment of an Institutional Undergraduate Formula Funding Base for the Calculation of Undergraduate Formula Grants	Accepted
76-21	Establishment of a Moving Three-Year Average for the Calculation of Undergraduate Formula Grants	Accepted
76-22	Distribution Mechanism with respect to Undergraduate Formula Grants for 1978-79	Accepted
	(Advisory Memorandum 76-VIII)	
76-23	New Construction that adds to Institutional Space	Accepted
76-24	Eligibility Guidelines and Criteria for Building Renovation, Alteration and Replacement Projects	Accepted



Office of the Minister Ministry of
Colleges and
Universities

416/965-7625

Mowat Queen Toront

October 5, 1976

#### Dear Steve:

Thank you for forwarding to me the Ontario Council on University Affairs' Advisory Memorandum 76-II regarding the Ontario Graduate Scholarship Program, 1977-78. I have considered your recommendations and would like to advise you of the decisions which I have made.

#### Recommendation 76-4

I am pleased to inform you that this recommendation has been accepted.

#### Recommendation 76-6

I am pleased to inform you that this recommendation has been accepted.

#### Recommendation 76-2

The government has agreed to remove the quota for landed immigrants who have established residency in Canada, and also to allow a limited number of scholarships to be held by outstanding student visa holders.

Accordingly, the following students will be eligible to apply for scholarships:

- (1) Canadian citizens;
- (2) Landed immigrants who, by December 1, 1976, have resided in Canada as landed immigrants for at least 3 consecutive years;
- (3) Landed immigrants who, by December 1, 1976, have resided in Canada as landed immigrants for at least 2 consecutive years and who

were admitted to Canada as either sponsored dependents or nominated relatives within the meaning of the Immigration Act. Sponsors or nominators must be parents or legal guardians who, at the date of application, are permanent residents of Canada;

(4) Landed immigrants who do not qualify with regard to residency under 2 and 3 above, but who hold landed immigrant status as of December 1, 1976, and persons who were admitted to Canada on a student visa under section 7(1)(f) of the Immigration Act may also apply for scholarships. No more than 50 scholarships may be held by students who qualify under this category.

Landed immigrants who held an Ontario Graduate Scholarship in a previous year and who do not qualify with regard to residency under (2) or (3) above will be eligible to apply for an open award and will not be considered among the maximum 50 awards in category (4).

#### OCUA 76-3

I recognize and appreciate that Council's first priority is to increase the value of the stipend to \$1,500 per term, even at the expense of reducing the overall number of awards. However, given the total funds available, the continuing climate of economic constraint, the anti-inflation guidelines, and the fact that government has been forced to make cutbacks in other areas, I am afraid that I cannot accept Council's recommendation that the stipend be increased by a full 20%. However, I am willing to increase the value of the stipend to \$1,400 per term. This represents an increase of 12% over 1976-77 and means that a graduate student will be provided with \$4,200 for a full year of study.

If the level of funding received for 1977-78 is greater than that which is anticipated, consideration could be given to further increasing the value of the award.

#### OCUA 76-5

In light of the value of the award mentioned above, the total number of awards that can be made available within the budget anticipated will be 945. Of these, 45 will be made available to institutional nominees (9 for each of the 5 institutions). Of the remaining 900 awards, a maximum of 50 will be made available to outstanding visa students and to landed immigrants who do not qualify under the residency regulations. The institutions may not name students in category 4 as institutional nominees.

At this time, I would like to thank Council for the obvious thought and consideration which has gone into the preparation of this Advisory Memorandum. Your efforts are greatly appreciated.

Yours truly,

Harry Farrott, D.D.S.

Dr. J. S. Dupré Chairman Ontario Council on University Affairs 2nd Floor, 801 Bay Street Toronto, Ontario









CAZÓN DG 705 -A56

1977-78

Ontario
Council on
University
Affairs

Fourth Annual Report



# Ontario Council on University Affairs

Fourth Annual Report March 1, 1977 to February 28, 1978

801 Bay Street, Second Floor, Toronto, Ontario M5S 1Y7

March, 1978



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#### **Letter of Transmittal**



Ontario Council on University Affairs

416/965-5233

801 Bay Street, 2nd Floor, Toronto, Ontario M5S 1Y7

February 28, 1978

The Honourable Harry Parrott, D.D.S., Minister of Colleges and Universities, 6th Floor, Mowat Block, Queen's Park, Toronto, Ontario

Dear Mr. Minister:

I respectfully submit herewith the Fourth Annual Report of the Ontario Council on University Affairs. This Report covers the period from March 1, 1977 through February 28, 1978.

Yours sincerely,

W. C. Winegard Chairman

# Members and Officers of the Ontario Council on University Affairs 1977-78

Rt. Rev. Walter E. Bagnall (1979)

Hamilton

Norma V. Bowen (1978)

Guelph

Mary Butler Bush (1979)

Ottawa

Antoine D'Iorio (1980)

Ottawa

J. Stefan Dupré (1980)

Toronto

James D. Fisher (1980)

Toronto

Reva Gerstein (1979)

Toronto

Lin Good (1980)

Kingston

T. Rosaire Léger (1978)

Cornwall

Alexander L. McCallion (1980)

Hamilton

Alan K. McDougall (1978)

London

Jean Millar (1979)

Sioux Lookout

J. Fraser Mustard (1978)

Hamilton

Margaret F. Orange (1978)

Sudbury

R. Peter Riggin (1978)

Toronto

Ronald S. Ritchie (1979)

Toronto

Nora Sanders (1980)

Kingston

H. Harold Walker (1979)

Toronto

William C. Winegard (1978) Chairman

Georgetown

John R. Yarnell (1980)

Toronto

Nancy E. Simmons

Associate Secretary

Ronald N. McDougall Senior Research Officer

Richard S. Zulik Research Officer

Members' terms expire on February 28th of the year indicated in parentheses





#### Introduction

The Fourth Annual Report of the Ontario Council on University Affairs covers the period March 1, 1977 to February 28, 1978 and like previous reports contains the full text of all advisory memoranda issued in the year.

In this introductory section of the report Council wishes to address three matters, each of which is of timely interest to the Government, the public and the university system. The first is enrolment and the outlook for the next 15 to 20 years. The second is funding of the universities and the information that is available from an analysis of enrolment and operating revenues for the past several years. The third is funding and the problems of the future.

#### **Enrolment**

The Third Annual Report of Council contained various forecasts of full-time undergraduate enrolment for the next decade in Ontario. In that report, considerable attention was paid to the period 1977-78 to 1982-83 because of a possible physical capacity problem during those years if enrolment increased beyond a certain level. As matters now stand, it seems likely that enrolment will fall short of the peak in Council's lowest forecast for the period in question and physical capacity will not be a problem. It will be remembered that based on the forecast population of the 18-24 age group, and assuming that the 1975-76 participation rate remained constant, full-time undergraduate enrolment was projected to increase from 141,529 in 1975-76 to 158,900 in 1982-83. After 1982-83, enrolment was projected to drop to 137,000 by 1990-91.

With the benefit of the actual enrolments for 1976-77 and 1977-78 and more up-to-date birth rate information, any forecasts made now would differ from those made last year. In this report, Council is not concerned with making detailed forecasts but rather with setting forth new information on enrolment possibilities for the next 15 to 20 years. Enrolment forecasting is fraught with difficulties and there would be little gained by trying to be precise about the next decade or two. Reasonable estimates for planning purposes are important, however, and a sense of future enrolment possibilities can be obtained by using the simple participation rate-age group model.

The exercise must begin with a review of the enrolment picture for 1976-77 and 1977-78. In 1976-77, full-time undergraduate enrolment increased by something in the order of 1.5 to 2.0% over the 1975-76 figure. It is not possible to be more precise because the method of reporting full-time students was changed in 1976-77. With respect to 1977-78, the Fall figures are known and enrolment is about 2.8% below the 1976-77 figure and approximately 1% below the 1975-76 level. The obvious question that must be addressed is "why is enrolment below Council's previous estimates?" Was there something wrong with the estimated number of people in the 18-24 age

group or did the participation rate change?

Dealing first with the participation rate, it is approximately 12.5% in 1977-78 as compared to about 13% in 1975-76. If the participation rate had remained at 13%, 9,000 more full-time undergraduate students would be enrolled than at present. The decrease in rate reflects both the drop out of students in the upper years of university and the decreased number of students proceeding to university from year 5. There is, of course, the possibility that 1977-78 is atypical and that the participation rate will return to the 1975-76 level in 1978-79. While the possibility remains, the available information on year 5 enrolment in 1977-78 suggests that the freshman intake of the universities next year will be lower than that of 1977-78, thus implying a further drop in full-time undergraduate enrolment in 1978-79. Should enrolment drop next year by a further 2%, the participation rate will be reduced to 12% which was the rate for the period 1971 to 1974. Over the next 20 years the rate could go lower than 12% or it could move higher than the 13% experienced in 1975-76. Many factors influence the decision about whether or not to go to university.

Whatever participation rate is chosen as the estimate for the future, the base that must be known for the projection using the participation rate-age group model is the number of people of ages 18-24 year by year until 1995. Since last year, new information on birth rates has become available that substantially changes the numbers in the later years of our forecast period. The new figures for the age group are given in Appendix 1 using only live birth data year by year in Ontario from 1946 until the present. Unlike Statistics Canada figures which were used last year, no allowance has been made for deaths or for migration into or out of Ontario. As seen in Appendix 1 the number of people in the 18-24 age group does continue to increase until the 1981-83 period. It should be emphasized again that the number of people in the age group has increased from 1975-76 to the present but enrolment in the universities has fallen. From the years 1981-83 onwards, this age group number declines continuously until at least 1995. The magnitude of the decline from the peak is approximately 20%.

What does all of this mean? Can reasonable estimates be made for full-time undergraduate enrolment in 1995? The short answer is yes, so long as any assumption of participation rate remains valid. If the participation rate remains at 12%, enrolment could rise to a peak of 5% above the estimated 1978-79 level in the period 1981-83. After the peak, enrolment would fall by 20% until 1995. Because of the rapidly declining birth rates of the late 1960's, the drop will be steep in the early part of the decline and less steep in the later period. To set these figures in perspective, the full-time undergraduate enrolment figure estimated for 1995-96 using this model is comparable to the actual enrolment in 1971-72.

As stated earlier, the estimate just provided could vary up or down depending upon the participation rate. The enrolment could also vary due to changes in the flow of 18-24 year olds into or out of Ontario because of migration. However, large changes in the migration flow would be required in order to have any significant effect on the outcome of this exercise. Council is also aware that the estimate is for full-time undergraduate enrolment and that no estimate has been provided for the part-time component. Projecting part-time enrolment is even more hazardous than estimating full-time enrolment and Council is not prepared to undertake the exercise at this time. The drop in part-time enrolment from 1975-76 to 1977-78, however, does not lead Council to expect large increases in this area.

Although readily admitting that the present exercise is only a rough forecast, Council does believe that it is of value in identifying the magnitude of part of the problem that confronts the universities over the next several years.

#### **Funding and the Challenge Past**

While Council is concerned that the universities recognize the enrolment prospects facing them at present, it is equally concerned with noting the achievement of the university system during the 1970's. This can be accomplished by presenting a retrospective analysis of the funding of universities taking enrolment increases and inflation into account. The starting point of the analysis is the year 1970-71, the first year in which the finance officers of Ontario universities reported financial information using a common format.

The basic purpose of the exercise displayed in Table 1 is to calculate the revenues received per student in the university system of Ontario for the years 1970-71 to 1978-79. A detailed explanation of Table 1 is given in Appendix 2 but a simple description is given here.

Column 1 of Table 1 gives the year in which the income was received. Column 2 shows the total formula grants plus current year fees available to the universities in the fiscal year shown in the first column. The revenue shown is that which is directly or indirectly controlled by Government. Interest income, incidental fees and minor

Table 1

Trends in Constant Dollar Grants olus Fees nor Full Time Student Famiyalent

	ო	4	2	9	7	ω	6	10
Z	Non-Formula Grants	Total Grants plus Fees	CPI January— January	Grants plus Fees in Constant 1970-71 Dollars	Current FTE Enrolment	Constant Dollar Grants plus Fees per FTE	Index of Column 8	BIU to FTE Ratio
\$	thousands)	(\$ thousands) (\$ thousands)	(1971 = 100)	(\$ thousands)		(\$)		
	9,040	408,637	7.76	408,637	145,977.4	2,799	100.0	1.66
	8,551	452,532	102.5	431,340	154,955.4	2,784	99.5	1.66
	5,720	478,056	108.3	431,266	157,090.4	2,745	98.1	1.70
	6,977	510,690	118.1	422,476	169,219.3	2,497	89.2	1.70
	9,610	581,593	132.4	429,166	181,074.1	2,370	84.7	1.70
	11,630	666,581	145.1	448,828	191,823.9	2,340	83.6	1.70
	9,890	751,313	154.0	476,645	194,269.2	2,454	87.7	1.69
	9,795	819,672	168.6	474,982	189,442.9	2,507	89.6	1.70
	009'6	858,043	182.1	460,356	185,703.0	2,479	88.6	1.70

CPI is estimated to increase by 8% in 1978-79.
 Enrolment and the related formula fees are estimated to decrease by 2% in 1978-79.

revenue sources have been excluded. The non-formula grants are listed in column 3 and total grants plus current year formula fees in column 4. Column 5 lists the consumer price index which when applied as the proxy for inflation to column 4 allows grants plus fees to be expressed in column 6 in constant 1970-71 dollars. Column 7 records the full-time equivalent enrolment and column 8 shows the constant dollar grants plus fees per full-time equivalent student. For comparison purposes, column 9 displays the information of column 8 in percentage terms. Column 10 is added to show that there has been no substantial change in mix of students since 1970-71.

The last figure of column 9 shows that grants plus formula fees per student in 1978-79 is 89% of the 1970-71 value when the effect of inflation is removed. A more revealing way to look at the figures displayed is to calculate the funds required to have the students enrolled in 1970-71 funded at the 1970-71 level through the period and then calculate the revenue per additional student since 1970-71. This exercise shows that, on average, all additional students taken into the universities since 1970-71 have been accommodated at an income of approximately 50% of the income per student for the base year. While it goes without saying that the universities have had no choice in the level of funding over the years, it nevertheless remains an achievement that they have met the accessibility policy of the government at the funding levels allowed per student since 1970-71.

Funding and the Challenge to Come

It is one thing to meet successfully the challenge of growth but quite another to cope with a decline in enrolment as well as a decline in funding measured in constant dollars. The funding prospects for the next 3 to 4 years are clearly visible in the paper "Towards a Balanced Budget" which is part of the document "Ontario Budget 1977". A glance at the 18-24 age group figures in Appendix 1 will confirm that enrolment decline may be substantial following the 1981-83 period. These two matters in combination indicate that many difficult years are ahead for the universities. Council's concern about how the universities will respond to the new situation is clearly evident from the questions raised in the letter of October 7, 1977 from the Chairman to each institution. (Appendix 3)

If one of the main objectives for the next 15-20 years is to have universities that can perform their many functions well, some very important questions must be raised about the present university system. Although some of the questions may be unsettling, this is no reason to avoid asking them. To question is part of the heritage of

the university.

Without in any way attempting to provide answers, Council does wonder aloud about several matters. Should the present number of free standing, autonomous institutions be reduced by closure or merger to ensure adequate support for those that remain? Should the number of institutions now offering graduate programs be reduced? Is it possible or desirable to rationalize the system by designating which undergraduate and graduate programs should be offered by which institutions? As faculty complement is reduced will mechanisms be found to ensure that young researchers and scholars can be employed in the system? Can ways be found to ensure that the best of research and scholarship is maintained despite restricted funding for the system as a whole? Regardless of the answers to these questions, restricted funding over a sufficiently long time could endanger the essential character of the university — at what point will irreparable harm be done?

To view the universities solely as teaching institutions is a major error. The university has many functions which are not related directly to the number of students and Council has tried to take this into account when recommending upon funding and allocation. Of course, teaching is important but so are the research, scholarship and public service aspects of the university. The university provides much of the research

that is done in Canada and is a major source of specialized services to governments at all levels, industry and the public. It is the university that generates much of the criticism of established beliefs through scholarship and the search for knowledge. These functions are and have been for decades (centuries for some) a part of a free society. Universities can only perform these functions well if they are strong and vigorous institutions.

The challenge to come can be stated very simply. Strong universities must continue to exist in Ontario, through whatever changes are necessary, despite declining enrolment and restricted funding.

#### Appendix 1

#### Trend in the 18-24 Year Age Group in Ontario from 1970-71 to 1995-96

	18-24 Age Group	
	Generated from	%
Academic	Live Birth Data	Change from
Year	(Thousands)	Previous Year
1970-71	764.5	
1971-72	796.8	4.2
1972-73	824.3	3.5
1973-74	859.6	4.3
1974-75	896.5	4.3
1975-76	938.7	4.7
1976-77	976.6	4.0
1977-78	1009.8	3.4
1978-79	1039.3	2.9
1979-80	1060.7	2.1
1980-81	1077.2	1.6
1981-82	1088.7	1.1
1982-83	1090.5	0.2
1983-84	1079.5	<del>- 1.0</del>
1984-85	1054.3	<del></del>
1985-86	1022.6	<del></del> 3.0
1986-87	991.2	<del>- 3.1</del>
1987-88	965.5	<del>- 2.6</del>
1988-89	945.2	<b>—</b> 2.1
1989-90	922.8	<del>- 2.4</del>
1990-91	906.3	<del></del> 1.8
1991-92	898.1	<b>—</b> 0.9
1992-93	894.8	- 0.4
1993-94	894.3	<b>—</b> 0.1
1994-95	886.5	0.9
1995-96	873.9	— 1.4

The 18-24 age group has been calculated as the sum of the live births in Ontario 18 to 24 years previously, commencing with 1946 births. Except for 1977 where the number of live births has been estimated from the data for the first nine months of the year, the live birth information has been obtained from the Registrar General of Ontario.

It has been assumed that there is no mortality or migration affecting the population. Because in-migration normally exceeds mortality and out-migration the total size of the age cohort is understated but this would not have a major effect on the size and direction of changes in the 18-24 year age group.

Appendix 2

Notes and Explanation of Table 1

Column 1 — Year in which the income was received

Column 2 — Formula Grants plus Current Year Formula Fees

Formula grants to the provincially-assisted universities, church-related colleges (including theology programs), Ryerson, Ontario Institute for Studies in Education and Ontario College of Art are included for all

Church-related colleges received 50% grants prior to 1974-75. Wilfrid Laurier University received 50% grants prior to 1973-74.

Theology programs were eligible for 100% grants in 1976-77.

Formula fees are recorded here on a current year basis for all years. Sources: Committee of Finance Officers — Universities of Ontario Annual Financial Data.

Ontario Council on University Affairs

Annual Reports,

Ministry of Colleges and Universities

Statistical Summaries,

Ministry of Colleges and Universities

Financial Reports.

Column 3 — Non-Formula Grants

Non-formula grants include bilingualism grants, supplementary grants and Northern Ontario grants.

Sources: OCUA Annual Reports

MCU Statistical Summaries

Column 4 — Total Grants plus Fees

Sum of formula grants, non-formula grants and formula fees. This represents that portion of university revenues under the direct control of the Government.

Column 5 — Consumer Price Index — January over January

CPI figures are January figures with the exception of 1977-78, which is an estimate based on the most recent increase in the CPI. January is chosen since it is near the midpoint of the university fiscal year.

Column 6 — Grants plus Fees in Constant 1970-71 Dollars

The total grants plus fees figures in column 4 are deflated by the inflation index in column 5.

Column 7 — Current-Year FTE Enrolment Enrolment data include the provincially-assisted universities, churchrelated institutions (including theology programs), Ryerson, OISE and OCA. Enrolment at church-related institutions receiving 50% funding is also recorded at 50%.

Constant Dollar Grants plus Fees per FTE

These figures represent total grants plus fees per FTE student in 1970-71 dollars.

Column 9 - Index of Column 8.

Column 10 - BIU to FTE Ratio

1978-79 Estimate — Total grants are known but the separation into formula and non-formula grants is estimated. FTE enrolment is estimated to decrease 2%. CPI is estimated to increase 8%.

#### Appendix 3

#### Text of Letter to Executive Heads Concerning 1978 Briefs to OCUA

October 7, 1977

Dear

After the public hearings last Spring, several universities requested that Council provide more time in the future for the preparation of briefs. The final schedule for the hearings in 1978 is enclosed and we hope that this early call for briefs will help you in your planning. As usual, we would be grateful for your views on any issue of interest or concern to your institution as well as your response to the specific issues raised in this letter.

If Council followed its normal practice, one of the questions put to you at this time would be "What is your estimate of the funding required in the system for 1979-80?" While hoping you will answer the question, Council wishes to extend the discussion in the light of the paper "Towards a Balanced Budget" which is contained in the document "Ontario Budget 1977" introduced in the Legislature by the Treasurer of Ontario on April 19, 1977. In that the first year of the Treasurer's plan has been implemented, it is likely that all publicly supported programs face three years of financing below the level that we have come to expect. To be specific, Council would like to know of any plans you have to cope with "the new reality". With restricted funding and declining enrolment upon us, are savings possible by the merging of one institution with another or through the merging of certain specific services such as libraries, computing, campus planning, other administrative support services and even teaching in geographically proximate institutions (or indeed system wide)?

With regard to the present financial picture, would you be good enough to provide us with your best estimate of the surplus or deficit position for the year 1977-78 as

well as the accumulated surplus or deficit as of April 30, 1978.

Last year you provided Council with a good deal of information on your space inventory including space rented and rental paid. It would be appreciated if you would

let us have an up-dated version of that material as of November 1, 1977.

Although only preliminary figures are available now, it looks as though undergraduate enrolment in 1977-78 is below expectation for the system. Bearing the above in mind, Council would like to know your enrolment projections for the next three years for both full-time and part-time students. With respect to the part-time students, would you provide us with a breakdown by sex, age and occupation please. Figures for 1977-78 and 1976-77 would be helpful. Council is anxious to learn of any plans you have for more actively promoting part-time studies. Do you now or do you plan to offer courses in the twilight hours, in concentrated periods of 2 to 3 weeks in the summer, on weekends to groups on request, etc.?

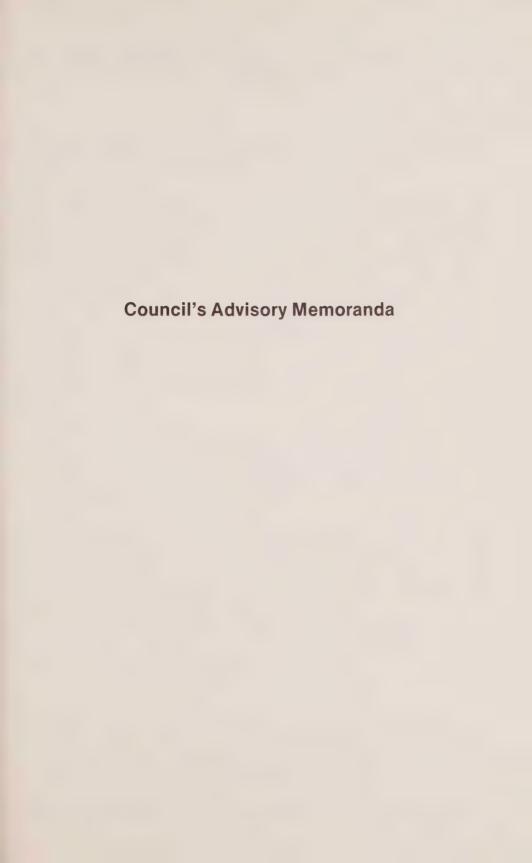
It will come as no surprise to you that Council continues to take an active interest in the graduate area. In this connection, through the C.O.U., we are requesting that the macro-indicator information provided in 1977 be up-dated and made available in 1978. There may be some changes in format but any change will be discussed with the C.O.U. From each individual institution Council would like a response to the following questions. Did you find the indicators useful in your planning process and did they lead to any program reviews? Have you any examples of "hard decisions" taken by your university in the graduate area? Related to the previous question is another of interest. What programs have been proposed and subsequently dropped for the immediate future by your university in the 3 or 5 year plans submitted during the past 5 years?

Concerning graduate enrolment, Council is interested in having information on enrolment trends for Masters and Doctoral programs with the professional Masters programs such as M.B.A. and M.Ed. separated from the others. A final question concerns the new student assistance scheme proposed by the Minister. What effect do you think it will have on your graduate enrolment for 1978-79?

Council looks forward to meeting with you next spring at the time indicated on the enclosed schedule. In order that we may be fully prepared for the meeting we would

be grateful for 35 copies of your brief by February 20, 1978.

Yours sincerely, W.C. Winegard, Chairman.





# 77-I The Ontario Graduate Scholarship Program, 1978-79

In this memorandum Council advises on the 1978-79 scholarship competition under the following headings: scholarship eligibility, scholarship stipends, number of awards and administrative developments.

Scholarship Eligibility

Council's position with respect to scholarship eligibility remains unchanged from that presented in Advisory Memoranda 76-II and 75-III. In each of those memoranda Council recommended that the Ontario Graduate Scholarship Program be equally open to Canadian citizens and to those who hold landed immigrant status as of the official annual closing date for applications. Of concern to Council is a situation where, despite changes to the 1977-78 eligibility rules, the existing rules governing landed immigrant eligibility for an OGS remain more restrictive than the eligibility rules that govern the federal scholarship programs of the Medical Research Council, Canada Council and National Research Council. Furthermore, discrimination between landed immigrants and citizens has the potential of eliminating highly qualified landed immigrants and hence lowering the standard of the competition. In Council's opinion this contradicts the objective of the Ontario Graduate Scholarship Program which is to reward academic excellence.

Council believes that Government should reconsider its treatment of landed immigrants with respect to scholarship eligibility and accordingly recommends to the Minister:

#### OCUA 77-1 (76-2) (75-3) ONTARIO GRADUATE SCHOLARSHIP PROGRAM ELIGIBILITY

THAT the Ontario Graduate Scholarships be equally open to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.

In addition Council wishes to comment on the eligibility of foreign visa students. In the 1977-78 Ontario Graduate Scholarship competition up to 50 awards were reserved for recently arrived landed immigrants and persons on a student visa. While Council did not specifically recommend that any awards be set aside for foreign visa students in Advisory Memorandum 76-II, Council noted that the purpose of the Ontario Graduate Scholarship Program is to reward academic excellence, and in that foreign student eligibility potentially adds to the level of excellence of the competition, it is compatible with the purpose of the Program.

For the 1978-79 OGS competition Council supports the continuation of this special category of awards. However, in light of the preceding recommendation concerning landed immigrant eligibility Council considers that only student visa holders should be a shoul

be eligible for an award from this category.

Council recommends to the Minister:

#### OCUA 77-2 FOREIGN VISA STUDENT ELIGIBILITY

THAT, a special category of Ontario Graduate Scholarships be established for persons who, at the time of application are student visa holders, with the precise number of scholarships to be determined in a manner consistent with the considerations outlined in this Memorandum.

Scholarship Stipends

Table 1 presents an historical comparison of the OGS stipend with the stipends of

the federal prestige award programs through 1977-78. The Table reveals the extent to which the value of the OGS stipend has deteriorated when compared with the federal agencies' stipends. To Council an OGS stipend moderately lower than the stipend of the federal awards is acceptable since the Ontario Graduate Scholarships are awarded through a Provincial rather than national competition. However, Council feels strongly that the OGS stipend should not remain substantially lower than the federal stipend levels. It has been, and continues to be, Council's considered opinion that the Ontario Graduate Scholarship should carry a stipend sufficient to attract and nurture excellence in graduate studies. Given this disposition Council is again prepared to accord priority to a higher stipend over increasing the current number of awards. To arrive at the stipend level for 1978-79 Council refers to the 1974-75 relationship between the OGS stipend and the stipend levels of the federal awards. If such a relationship existed in 1977-78, the OGS stipend would be approximately \$5,000. While acknowledging the likely possibility that the stipend levels of federal awards will increase again in 1978-79 Council appreciates that a restoration of the 1974-75 relationship between stipends in one year might result in an unduly large reduction in the number of awards

		Table I	
	Compara	tive Scholarship Stipends	
	OGS	NRC Stipends (PGS 1 & 2)	Canada Council Stipends (1st & 2nd Ph.D.)
1971-72	_	\$3,800	\$3,500
1972-73	_	\$3,800	\$3,500
1973-74		\$4,050	\$3,500
1974-75	\$3,400*	\$4,050 to Oct. 1 \$4,500 from Oct. 1	\$4,000
1975-76	\$3,400*	\$5,000	\$5,000
1976-77	\$3,750	\$5,520	\$5,500
1977-78	\$4,350	\$6,000	\$6,000
% Increase in 1977-78 over 1974-75	27.9	48.1	50.0

<sup>\*</sup> Adjusted to take account of integration of fees into stipend in 1976-77.

Council recommends to the Minister:

OCUA 77-3

ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1978-79

THAT, as a matter of first priority the Ontario Graduate Scholarships carry a stipend of \$5,000 or \$1,667 per term in 1978-79.

#### **Number of Awards**

The 1977-78 competition reserved 45 institutional awards (9 per university) for those universities having no doctoral programs. Council advocates the continuation of the institutional awards for 1978-79, and accordingly recommends to the Minister:

OCUA 77-4
INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT
DOCTORAL PROGRAMS

THAT, up to 45 scholarships (9 per university) be institutional awards in 1978-79 for the universities having no doctoral programs.

Council will review the appropriateness of these institutional awards in relation to

the graduate program planning process.

For the 1977-78 OGS competition, government established a category of scholar-ships that provided 50 awards for recently arrived landed immigrants and persons on student visas. Consistent with recommendations 77-1 and 77-2 in this Memorandum, this special category becomes exclusive to persons on student visas. Council recommends to the Minister:

#### OCUA 77-5 ONTARIO GRADUATE SCHOLARSHIPS TO PERSONS ON STUDENT VISAS

THAT, up to 50 scholarships be reserved for persons who, at the time of application, are student visa holders.

When Council's recommendations concerning the foreign visa student awards and the institutional awards are taken into account a total of 850 awards remain available for open competition in 1978-79 if the preceding year's total number is maintained. At a stipend level of \$5,000, OGS funding would have to increase by 15% to maintain the total number of awards at the 1977-78 level. While according priority to an increased stipend over increasing the number of awards, Council is aware that a substantial reduction in numbers will be to the detriment of the Program. On this point Council notes the request contained in the current report of the Chairman of the Selection Board to increase the number of awards.

In Council's opinion the number of awards should be determined in relation to the increase in total funding. At a stipend of \$5,000 Table II illustrates the number of awards which would be available in a range of funding increases from 5% to 22%. The upper limit of this range would virtually restore the number of awards to the 1,000 level of 1976-77.

For 1978-79, Council urges that the increase in funding for the OGS Program be within the percentage range shown in Table II, and *recommends to the Minister:* 

#### OCUA 77-6

NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1978-79

THAT, consistent with the priority attached by Council to a 1978-79 stipend of \$5,000, the numbers of Ontario Graduate Scholarships available for:

(a) open competition,

- (b) institutional awards at Brock, Lakehead, Laurentian, Trent and Wilfrid Laurier, and
- (c) foreign visa students

be determined in the manner illustrated in this Memorandum.

Table II

#### Number and Composition of OGS Awards for 1978-79 Under Alternative Funding Increases

Per Cent Increases in Funding for 1978-79 over 1977-78	Total Awards Possible at a Stipend of \$5,000	Awards Available for Open Competition	Awards Available for Foreign Visa Students	Institutional Awards for Equal Distribution by Quota Among Small Universities
%	(No.)	(No.)	(No.)	(No.)
5	863	783	40	40
6	871	790	41	40
7	879	797	42	40
8	887	804	43	40
9	896	812	44	40
10	904	819	45	40
11	912	826	46	40
12	920	833	47	40
13	929	841	48 .	40
14	937	848	49	40
15*	945	850	50	45
16	953	858	50	45
17	961	866	50	45
18	970	875	50	45
19	978	883	50	45
20	986	891	50	45
21	994	899	50	45
22	1,003	908	50	45

<sup>\*</sup> The recommended stipend of \$5.000 for 1978-79 is approximately 15 per cent greater than the stipend for 1977-78. Therefore the OGS funding for 1978-79 would have to increase by 15 per cent to maintain the number of awards at 945 assuming that there is no change in the mix of three-term and two-term awards.

#### **Administrative Developments**

It is Council's practice when advising on the OGS Program to concern itself with policy issues and refrain from interfering with purely administrative matters. Council, having received the report of the Chairman of the Selection Board, Vice-Dean A.J. Baer of the University of Ottawa, commends the Chairman and his colleagues, as well as the Ministry officials involved, for their successful participation in the operation of the Program. Council is confident of a continuation of fruitful cooperation and is satisfied that the parties directly involved are best able to deal with the recommended administrative changes contained in the Chairman's Report.

W.C. Winegard Chairman

June 3, 1977

## 77-II The Secondary/Post-Secondary Interface

In February of 1975 Hon. J.A.C. Auld, then Minister of Colleges and Universities, informed Council by letter of a forthcoming multi-faceted review of the interface between secondary and post-secondary education in the Province. Council was invited to participate in the review. During the two years that have elapsed since the original announcement, much has transpired to expose issues of contention and concern in the relationships and roles of Ontario's secondary and post-secondary institutions.

Prominent among the catalysts that have prompted the current debate has been the Secondary/Post-Secondary Interface Study jointly commissioned by the Ministers of Colleges and Universities and of Education. Following the release of this study early in 1977, more than 50 briefs from interested individuals, groups and institutions were received by the Ministers. In addition to these, Council benefited from exploring many related concerns with the university community during its regular spring

Among the specific issues actively under debate are (1) core curriculum in the secondary schools, (2) student evaluation and levels of student achievement, (3) postsecondary admission standards, practices and expectations, (4) grading practices, (5) program gaps and duplication, (6) the future of Year 5 (Grade XIII), (7) remedial programs in post-secondary institutions, and (8) transferability of credits between postsecondary systems.

Council's first general impression is that on each of the central issues there is a healthy diversity of opinion among the experts and other interested parties. Despite the diversity of opinion a spirit of cooperation is evident and improved communication has been cited time and again as the fundamental step from which to develop articulation and coordination at the secondary/post-secondary interface. With this Council

fully concurs.

Council also agrees with Dr. H.H. Russell of the Ontario Institute for Studies in Education, author of the Interproject Analysis segment of the Secondary/Post-Secondary Interface Study, when he notes that "serious criticism of all levels of education has been a continuing phenomenon over a period of decades and even centuries". The issues upon which recent debate has focussed are not new. For precisely this reason Council cautions all parties against precipitous change designed to solve perceived problems. The Minister of Education, the colleges of applied arts and technology and the universities could do a serious disservice to education in the Province of Ontario if the impact of proposed changes is not thoroughly assessed and debated. Major policy changes in any single educational sector will have significant ramifications for all other sectors at the interface including the labour force and thus should not be made without consultation.

#### Facilitating Communication, Coordination and Articulation

The interface by its very nature is the locus of ongoing contention. The issues may

change but debate will undoubtedly continue.

The issues currently under debate at the interface fall into two general groupings. First are those of an academic nature such as gaps and duplication in course content, where no major policy question is at issue. In Council's opinion, these matters are best left to the practicing teachers at the local and/or provincial levels.

Into the second category fall major policy questions with ramifications for more than one educational sector. Issues such as core curriculum in the secondary schools and the future of Year 5 cannot be considered at other than the provincial level, nor should decisions on these questions be made unilaterally without input from the

entire range of parties to the interface including the general public.

The cooperative spirit which Council believes is currently present among educators from each of the three systems that converge at the interface is one that must be nurtured if coordination and articulation are to be improved.

Council has been apprised of the existence of many inter-jurisdictional cooperative efforts which have evolved over time, particularly at the local/regional level. Examples are both more formal regional organizations such as the Ottawa Valley Educational Liaison Council and less formal contacts between teachers and faculty of the same discipline from different institutions. Expansion and coordination of such communication networks, while desirable, are unlikely to happen spontaneously. Rather they will require encouragement and facilitation.

These considerations have led Council to believe that a tri-level system of communication would be most suitable for the exploration and resolution of issues

at the interface.

Local Discipline (Subject) Committees. Where these do not already exist, local/regional committees of teachers and faculty within the disciplines which bridge the interface should be formed either on the initiative of the institutions or under the auspices of regional organizations of institutions. Committees of individuals from secondary schools, colleges and universities would address questions of gaps and duplication in course content at the local level. This level of communication is essential both to assist students who wish to cross the interface in each region, and also to provide a foundation of local experience and information on which any province-wide coordination must be based. Council suggests that the Ministers of Colleges and Universities and of Education encourage such liaison efforts.

Provincial Discipline (Subject) Committees. Since universities, and to an increasing extent colleges, attract students from beyond their immediate region, there appears to be a need to evaluate province-wide patterns of disciplinary coverage. Council visualizes Provincial Discipline Committees drawing upon the expertise and experience of local discipline committees to develop, through consensus, recommendations on discipline content for the Ministry of Education, the Council of Regents for Colleges of Applied Arts and Technology, the Council of Ontario Universities, and individual autonomous post-secondary institutions. Membership would include teachers from universities, colleges and secondary schools. On the university side, Council notes that the Council of Ontario Universities has available to it organizations of faculty within disciplines from which to name university representatives.

Council recommends to the Minister:

## OCUA 77-7 PROVINCIAL DISCIPLINE COMMITTEES

THAT, the Minister of Colleges and Universities and the Minister of Education jointly encourage and sponsor the establishment of Provincial Discipline Committees in a manner consistent with the considerations outlined in this Memorandum.

Provincial Interface Planning Committee. Council reiterates its opinion that debate is an integral and necessary characteristic of an interface such as that which exists between the secondary schools, colleges and universities in Ontario. What has been lacking in the recent past is a mechanism for channelling debate and generating policy recommendations.

In order to promote a consultative and coordinated approach to major policy issues Council proposes the establishment of a Provincial Interface Planning Committee whose mandate would involve maintaining a watching brief on the interface, evaluating the implications of proposed policy changes in one educational sector for the other two sectors, and making policy recommendations concerning the interface. Recommendations would be made where appropriate to the Ministers of Colleges and Universities and of Education, the Council of Regents, the Council of Ontario

Universities, individual autonomous educational institutions and other affected parties. This committee would have no power beyond that of giving advice. However, to ensure its effectiveness as an advisor, Council feels that the committee should be formally established under the joint auspices of the Ministers of Colleges and Universities and of Education. The following should be specified clearly at the time of the committee's creation: its mandate, composition, relationship to the two Ministers and administrative support arrangements such as staffing and funding.

As concerns membership, Council would suggest that a balanced representation be drawn from the two Ministries, the secondary and post-secondary systems and

the broader public.

The committee, in Council's opinion, would provide an appropriate and necessary forum for addressing issues currently being debated such as the future of Year 5, core curriculum in the secondary schools, student evaluation, and post-secondary admission practices.

Accordingly, Council recommends to the Minister and to the Lieutenant Governor in Council:

OCUA 77-8

PROVINCIAL INTERFACE PLANNING COMMITTEE

THAT, a Provincial Interface Planning Committee be formally established in a manner consistent with the considerations outlined in this Memorandum.

Funding for Special University Programs at the Interface

In February of 1975 the Minister also specifically asked Council to examine and recommend upon the criteria under which students may be claimed by the provincially-assisted universities for operating support. The letter went on to say:

"The Ministry has made no attempt to interfere in the universities' autonomous responsibility to determine admission standards, and we do not propose to alter this policy. We have a responsibility, however, for defining which students may be claimed for support under the operating formula. This formula, at the present time, envisages basically that only students who have qualified for the Ontario Secondary School Honour Graduation Diploma or its equivalent may be claimed for operating support. (Mature students have been specifically exempted from this limitation).

In view of the decision to proceed with the joint studies that I have referred to, and while these studies are in progress, it has seemed desirable to maintain the present funding rationale. Accordingly, no further changes will be allowed in the present basic funding policy, which at the present time allows universities to claim only those students who have completed the requirements for the Ontario Secondary School Honour Graduation Diploma or the equivalent ("mature" or "adult" students excepted). We have also given notice to those universities with preliminary year programs or with permission to claim students admitted directly from Grade 12, that we intend to discontinue funding these programs in the future unless we receive strong evidence that these programs are essential."

Council understands the Government's sense of responsibility for defining which students may be claimed for support from the public purse under the formula and would be remiss in its responsibility to Government and to the university system if at this time it failed to comment on the formula eligibility criteria which relate to special university programs and practices at the interface.

Basic Eligibility. The normal pattern of educational experience followed by the majority of university-bound Ontario students in recent decades has involved completion of the Ontario Secondary School Honour Graduation Diploma (OSSHGD) as a prerequisite for university admission. Any widespread departure from this established pattern would constitute a major change in the structure of education in this Province. Insofar as non-Ontario students are concerned, the Ontario universities have developed and published requirements deemed equivalent to the OSSHGD, which may be attained in other educational jurisdictions.

At present Council can see no reason to recommend any change in the existing basic definition used in the Ontario Operating Formula Manual which states that ineligible students are those who are "registered in First Year of undergraduate degree programs who, on the applicable count date, have not successfully completed the requirements for the Ontario Secondary School Honour Graduation Diploma or

the equivalent from other educational jurisdictions."

In the past there have been a number of exemptions from this basic regulation. Following a review of the current exemptions Council is of the opinion that three should be preserved. These are, (1) students registered in Music at the University of Toronto who have completed the requirements for the Ontario Secondary School Graduation Diploma and who have certain additional qualifications in music, (2) students registered in first year in a trimester program in the Winter or Spring term at the University of Guelph who leave Ontario Year 5 studies before the end of the normal school year with the permission of the high school principal, and (3) mature students.

At Toronto, evidence of performance capability for admission to music performance programs has been judged the equivalent of the OSSHGD as a prerequisite for admission to programs in other disciplines. The situation at Guelph results from a lack of coincidence between secondary school terms and Guelph's semesters. With regard to mature entrants, Council notes only that criteria for admission of students in this category vary from institution to institution. If age or other requirements were to be relaxed in the future, questions could be raised about the clientele for whom this entry route is provided. Indeed Council feels it would be timely for the Council of Ontario Universities to encourage the development of a standard definition of "mature" students for use in university admissions.

Preliminary and Transitional Year Programs. Four universities offer programs of pre-university study for which support is received through the Operating Grants Formula. These are Carleton (Qualifying Year), Ottawa (Pre-Science), Toronto (Transitional Year), and Windsor (Preliminary Year). While the programs vary from institution to institution in terms of stated purpose, clientele and method, they have one fundamental element in common — the provision of training at the pre-university level for students lacking the usual university entrance requirements.

The programs at Carleton, Ottawa and Windsor are currently classified in the Operating Formula Manual as preliminary year programs and are funded at a formula weight of 0.7. In most instances, preliminary year courses may not be applied against the normal number of credits required for an undergraduate degree. Council has learned from Carleton University that courses in its Qualifying Year may or may not count for degree credit depending upon the individual student's level of achievement.

While remaining sympathetic to some of the objectives of preliminary year programs, Council has concluded that public funding for the preparation of students at the pre-university level should be provided through the secondary school system. The universities continue to experience pressure to accommodate growth in degree programs despite limited capacity. The funding of universities is such that this system will continue to be under financial restraint so long as growth must be accommodated. Then too, the earlier passing of the enrolment bulge from the school system

may make teaching resources more readily available there than in the post-secondary institutions.

Toronto's Transitional Year Program (TYP) has been developed to serve the needs of disadvantaged students. A recent report from the TYP Task Force at the University of Toronto argues that students in this program, because of their backgrounds, should not be expected to pay tuition fees and should benefit from a special student assistance scheme. The report also indicates the academic desirability of housing

this program in separate quarters.

Council recognizes that students approach university studies with wide ranges of educational experience and socio-economic background and realizes that there is a particular responsibility to assist disadvantaged students in overcoming hurdles that may stand in the way of further education. Council has concluded that this responsibility can best be discharged under the auspices of the Boards of Education. This approach would simultaneously resolve the matter of tuition for disadvantaged students and, because the Boards are located throughout the Province, enhance geographic accessibility for students in areas other than Toronto. Because experience indicates that transitional programs for disadvantaged students are less likely to be successful if offered within the traditional secondary school environment, the programs might well be conducted under the aegis of the Boards of Education on university campuses or in other appropriate locations.

Having taken all of the above considerations into account, Council recommends

to the Minister:

OCUA 77-9
ELIGIBILITY OF PRELIMINARY YEAR PROGRAMS FOR SUPPORT UNDER
THE OPERATING GRANTS FORMULA

THAT, beginning in 1978-79, students registered in preliminary years at Carleton University, the University of Ottawa and the University of Windsor, and students registered in the Transitional Year Program at the University of Toronto be considered ineligible for support under the Operating Grants Formula.

Given the recent changes in the formula, the full fiscal impact of the above recommendation on the institutions would be gradually phased over a multi-year period. This, in Council's judgement allows sufficient time for the affected universities to

make the requisite adjustments.

Brock University — Grade XII Entrant Program. Some universities admit a limited number of exceptional students who have not completed the requirements for the Ontario Secondary School Honour Graduation Diploma. Normally universities may not claim these students for formula support until they enter second year. In 1972 Brock was granted an exemption from this rule in order to offer an experimental program for exceptional Grade XII entrants.

Council hopes that the results of Brock's experiment over the past few years may help to clarify a range of questions concerning the secondary/post-secondary interface and may be put to profitable use in the ongoing debates over the future of Year 5. In any case Council suspects that exceptional students who qualify for admission before completion of the OSSHGD should be capable of taking advantage of opportunities available in secondary schools for accelerating the completion of the

Honour Diploma.

Given the time that has elapsed since Brock first undertook this experiment and given that other institutions are involved in similar admission practices but do not receive funding for one year, in Council's judgement it would be inequitable for Brock to continue to receive exemption from the general eligibility regulation. Council

recommends to the Minister:

OCUA 77-10 ELIGIBILITY OF BROCK GRADE XII ENTRANT PROGRAM FOR SUPPORT UNDER THE OPERATING GRANTS FORMULA

THAT, beginning in 1978-79, students registered in first year at Brock who have not completed requirements for the Ontario Secondary School Honour Graduation Diploma or the equivalent from other educational jurisdictions be considered ineligible for support under the Operating Grants Formula.

Remedial Programs. Council has learned that university involvement in non-credit remedial work has been increasing of late. While some requests have been received for funding in support of remedial programs, there does not appear to be consensus among the universities that such programs are essential elements of their mandate or that they should be funded as such. The evidence suggests that remedial courses are designed to instruct students in skills normally expected to have been acquired by secondary school graduates. Indeed, university offerings of this type can be viewed as symptomatic of interface problems. Council is optimistic that such problems will be resolved to the satisfaction of all in the fullness of time. Universities have demonstrated their ability to respond, in the interim, to a situation where remedial work is offered without additional funding and Council would encourage them to continue to do so as long as the need persists.

W.C. Winegard, Chairman

July 12, 1977

## 77-III Government Support for the University System in 1978-79

In this Memorandum, Council tenders its funding advice for the Ontario university system in 1978-79 under two master headings, operating grants and capital assistance.

**Operating Grants** 

The setting within which Council's recommendations are made continues to be one in which "economic circumstances and longstanding policy indicate the need to sustain the existing university system in the face of price increases and enrolment growth." Given this situation Council espouses the same basic objectives for 1978-79 as it did in Advisory Memorandum 76-III. These are (1) "to offset inflationary trends" (2) "to maintain existing levels of service" and (3) "to accommodate predicted enrolment increases at the undergraduate level."

Council also employs the same basic model as it did in Advisory Memorandum 76-III. The continued use of this approach enhances the predictability and stability of university funding within the framework of the straitened economic circumstances

that face the Government.

Costing Council's Basic Funding Objectives for 1978-79

The costing of Council's basic funding objectives for 1978-79 closely parallels the exercise undertaken for 1977-78 in Advisory Memorandum 76-III. There are changes in some of the percentages applied to the figures used in the base and to some of the elements included in that base. Each change is explained in the following description of Council's exercise, the several components of which are displayed in the columns of Table I. This Table incorporates the threefold division of university system outlays consistently used by Council in its funding advice, namely, salaries, fringe

benefits and non-salary expenditures.

Column 1: The 1977-78 Base — The starting point in the 1978-79 costing exercise is the base which is Council's estimated level of university system expenditures for 1977-78. Council has compared the preliminary 1977-78 budgeted expenditures prepared in the format of the Committee of Finance Officers — Universities of Ontario with its own revised forecast of revenues for the same year. This shows a small system deficit for 1977-78 which Council expects will no longer exist when actual expenditures and revenues are known. The total system expenditures in the 1977-78 base are therefore taken as equal to Council's estimate of system revenue, namely \$895.4 million. As in Advisory Memorandum 76-III, the total of \$895.4 million is distributed among the expenditure categories according to the percentage composition of expenditures contained in the 1977-78 budgets.

The institutions whose expenditures are included in the base include the fifteen provincially-assisted universities, the Laurentian affiliates, church-related colleges (including Theology programs), Ryerson Polytechnical Institute, The Ontario Institute

for Studies in Education, and the Ontario College of Art.

The base provides the same coverage of expenditures as that in Advisory Memorandum 76-III with four exceptions:

(1) the inclusion of funds relating to Theology programs;

(2) the exclusion of expenditures of the University of Guelph that are financed by the Ontario Ministry of Agriculture and Food;

(3) the exclusion of expenditures of the Ontario Institute for Studies in Education that are financed by the Ontario Ministry of Education;

(4) the inclusion of the Ontario Ministry of Colleges and Universities' grants for

minor repairs and maintenance projects.

The inclusion of Theology programs (1) consists of two components. One is the revenue that pertains directly to Theology and the other is an amount held in contingency by the Ministry for those programs that have not yet opted for 100% support from the Government. Whether or not all institutions offering Theology programs

Table I

TOTAL 895.4	Salaries (1) 648.3 Fringe Benefits 71.6 Non-Salary 175.5	Estimated Expenditures 1977-78	-	Pro
53.7	38.9 4.3 10.5	Inflationary es Trend Cost 1978-79	N	The Cost of the Basic Funding Objectives Recommended for 1978-79: Provincially-Assisted Universities, Ryerson, OISE and OCA — (\$ million)
19.9	13.7 1.5 4.7	Existing Service Level Cost 1978-79	ω	Funding Object niversities, Rye
<b>- 9.7</b>	- 7.0 - 0.8 - 1.9	Efficiency Factor (Negative)	4	ives Recommend rson, OISE and O
15.5	11.2	Predicted Enrolment Costs 1978-79	ഗ	led for 1978-79: CA — (\$ million)
-7.7	- 5.6 - 0.6	Excess Capacity Factor (Negative)	0	
967.1	699.5 77.2 190.4	Cost of Basic Objectives 1978-79	7	

(1) The academic portion of salary costs is adjusted to recognize the two-month discrepancy between the university fiscal year (May-April) and the common university appointment year (July-June). A similar adjustment is not made for support staff salaries because the effective dates of salary adjustments for such staff vary widely among different employee groups and different institutions.

take up the offer of full funding, the funds are assumed to be available to the university system in 1977-78. If additional institutions accept full funding in subsequent years, no extra money will be requested for the system at that time. With respect to (2) and (3), these items are excluded on grounds that OCUA's terms of reference do not extend to advising the Ministers who are responsible to the Legislature for these grants. Moreover, these grants are not intended to support either the direct or indirect costs of the instructional activities of the students reported as eligible for operating grant purposes. Concerning (4), these funds have in fact been used for operating purposes, on minor repairs and maintenance, although projects of this nature have previously been classified as capital.

For a reconciliation with Advisory Memorandum 76-III see the Appendix to this Memorandum.

Column 2: Inflationary Trend Costs — In Advisory Memorandum 76-III Council calculated the cost of offsetting inflationary trends in salaries and fringe benefits with reference to the targets that the anti-inflation program sought to achieve. Council took the "basic protection factor" of 6% from the federal compensation

quideline as indicative of this target.

For fiscal year 1978-79, the overwhelming majority of university salary settlements will fall within a period in which the basic protection factor would allow cost-of-living increases of 4 per cent. Given that recent increases in the CPI are running above the basic protection factor for the current year, it is possible that the basic protection factor for 1978-79 will be adjusted to a figure between 5-6% if the anti-inflation program is still in existence. If the controls were completely removed for 1978-79 Council would accordingly make a forecast of inflation based on trends in price indices such as the CPI. Such an exercise would yield an expected rate of inflation for 1978-79 in excess of 6%. Given the uncertainty concerning the future of the anti-inflation program and the restraint measures likely to be adopted by governments in the post-control period, forecasting is distinctly complicated at the present time.

According due consideration to the above, Council chooses what in its opinion is a conservative estimate, a factor of 6% to offset inflation in salaries and fringe benefits for 1978-79. Council has received representation from the Council of Ontario Universities (COU) that system-wide fringe benefit costs have been increasing at a more rapid rate than salary increases in the past two years. However, Council at the present time does not have precise and comprehensive measures of the extent to which such increases have resulted from discretionary university policies to increase the employer's share of the cost of existing benefits, from policies to expand benefits, or from externally imposed costs beyond the control of university administrators.

With respect to allowances for inflation in non-salary expenditures Council is aware that inflation in this area has exceeded the growth rate in the CPI for the past two years. The difference has been largely attributable to extraordinarily high rates of inflation for utilities and library expenditures, which were partially recognized by Council in its additional funding recommendation for "particular financial circumstances" in Advisory Memorandum 76-III. Further compensation for the higher than anticipated rate of inflation in the non-salary area in fact materialized because the allowance for forecast enrolment growth in 1976-77 was in excess of actual increases. Despite Council's concern that the figure chosen for 1978-79 may be unduly conservative, it proposes the same factor for non-salary expenditures as for salaries and fringe benefits, namely 6%.

With respect to 1978-79, Council had hoped to have available a non-salary expenditure index which would have been useful in forecasting inflation in expenditures in this area. The early call for funding advice has precluded this possibility. Recognizing the importance of this area to the university community Council will seek to develop a non-salary price index in the coming months.

Column 3: Existing Service Level Costs - In calculating the cost of its objective "to maintain existing levels of service," Council again recognizes two major sources of real costs in the university system. These are progression through the ranks or toward the job rate in the salary area, and allowance for furniture and equipment

In column 3 Council continues to apply to salaries and fringe benefits a factor of 2 per cent to allow for the net cost of progression through the ranks or towards the job rate. With respect to furniture and equipment replacement Council again employs a 2.5 per cent factor for the non-salary area. A preliminary review of this percentage based on available data on inventories and depreciation rates from some universities reveals that it continues to be appropriate at this time.

Column 4: Efficiency Factor — The efficiency factor is one of two negative measures that Council applies in calculating the cost of meeting its funding objectives. It reflects an expectation of the "productivity gains" that might be said to lie within the reach of the university system were the system in steady state. The factor is therefore applied after the allowances for offsetting inflationary trends and main-

taining service levels.

The efficiency factor has been severely criticized by the university community on two grounds. First, the factor itself is considered excessive relative to the Economic Council of Canada's targeted productivity gains for the service industries group of which the universities are a part. Second, it is felt that the continued use of an allegedly large efficiency factor is unrealistic because the accumulated total over a period of years must ultimately mean that the universities will have neither the people nor the supplies and equipment to carry out their function. The points made by the universities are not lost upon Council and may indeed be commented upon in the Fourth Annual Report. For the year under consideration the 1% efficiency factor is again applied.

Column 5: Predicted Enrolment Costs — A complication in Council's costing exercise is the enrolment prediction for 1978-79 because it must be made before official enrolment counts for the base year of 1977-78 are known. This year Council has the additional difficulty of analysing historical data for 1976-77 which reflect artificial changes generated by the new method of counting that are difficult to quantify precisely. The real increase in undergraduate enrolment in 1976-77 may have ranged from 2.0% to 2.5% depending on estimates of the impact of the new

counting system.

In making its 1978-79 enrolment forecast Council has reviewed the projections of Year 5 (grade 13) enrolments, the flow of freshmen through each succeeding year of study and some possible trends in part-time enrolments. Council is also aware of the enrolment limits in place at many universities and the possible damping effects of the new allocative formula which is less sensitive to enrolment than previously. Taking these factors into account Council predicts that undergraduate enrolment will increase by 2.0% in 1978-79. This factor is applied to the estimated 81 per cent of system-wide expenditures that relate to undergraduate programs to produce Column 5.

Given Council's objective to accommodate enrolment increases only at the undergraduate level and the extension of the graduate funding freeze to 1978-79, no

allowance is made in Column 5 for changes in graduate enrolment.

Column 6: Excess Capacity Factor (Stabilization Factor) — The excess capacity factor is the second of the two discounts that Council applies in estimating the cost of its basic funding objectives. It rests on the assumption that the capacity in the university system as a whole permits the accommodation of additional enrolment at a cost lower than average cost.

During the spring hearings with the university community, representations were

made to Council that an excess capacity factor of 50% imposes too large a discount on growth. Council is aware that a 50% discount on growth imposes a strain on the university system but must weigh the short run advantage to the universities of allowing more funding for growth against the longer run advantage of stability in the system in the event of a substantial decline in enrolment. It should be noted that a greater discount during the period of enrolment increase implies a greater obligation on the part of Government to stabilize the system during enrolment declines. These considerations lead Council to adhere to a 50% excess capacity factor for 1978-79.

Column 7: Cost of Basic Objectives — The final column of Table I simply adds to Column 1 the sum of the positive and negative figures that appear in Columns 2 through 6. The resulting grand total of \$967.1 million represents Council's best estimate of the cost of its basic objectives in funding the provincially-assisted universities, church-related and affiliated colleges, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art in 1978-79.

The Potential Cost to Government of Council's Basic Funding Objectives

The potential cost to Government of Council's basic funding objectives is shown in Table II. It is obtained by deducting from the total cost of \$967.1 million Council's estimates of tuition fee revenues at 1977-78 rates and other revenues. The tuition fee deduction of \$152.5 million is based on estimated 1977-78 tuition fees of \$147.9 million augmented by Council's predicted percentage increase in undergraduate enrolment for 1978-79. Graduate enrolment is assumed to be constant. Also included in the \$152.5 million is an additional estimated \$2 million accruing from the higher formula fee for visa students, which increases the two year visa student formula fee revenue to a total of \$4 million. Because this is the second full year of the differential formula fee for visa students, both new visa students and previous visa students who are no longer exempt are included in the total estimate of \$4 million. Since the \$4 million accruing from visa student formula fees is included in tuition fee revenue whether or not the fees are assessed, the cost to Government is the university system's "net" funding requirement, that is, grants less the formula fees for foreign visa students.

Table II				
Potential Cost to Government of Council's Basic Funding Objectives for 1978-79: Provincially-Assisted Universities, Ryerson, OISE and OCA — (\$ millions)				
Cost of Basic Funding Objectives (Table I, Column 7)	967.1			
Deduct: Tuition and Other Fee Revenues at Prevailing Rates	— 152.5			
Other Revenues	58.3			
Potential Cost to Government of Basic Funding Objectives	756.3			

The figure of \$58.3 million for other revenues given in Table II represents no increase over the 1977-78 estimate of other revenues after appropriate adjustments have been made to the latter as outlined in the Appendix. Council's decision not to increase

other revenues is based on several submissions from universities on their recent experience with interest income. It also takes account of the constancy of MCU line

budget and other government grants in recent years.

Table II indicates that if Council's basic funding objectives are to be met in 1978-79, the potential cost to Government is \$756.3 million. This involves a 9.7 per cent increase over the 1977-78 total of \$689.2 million that was made available by the Government in formula and non-formula grants to the institutions covered by Council's costing exercise. This will be the actual cost to Government if the existing tuition fee levels are maintained for 1978-79.

#### **Additional Funding Needs**

In the past Council has recommended additional funding under two categories:

(1) particular financial circumstances;

(2) special institutions and policy matters.

With respect to the former, Council recommended the provision of funds for this purpose for 1976-77 and 1977-78. At the present time, Council has no strong evidence that a request for additional across-the-board funding is warranted, and accordingly makes no recommendation for such funds for 1978-79.

The second category of additional funding needs identified by Council relates to those special institutions and policy matters which are excluded from Council's basic costing exercise. The funding of Theology programs which in previous years was included as additional funding has, as explained above, now been incorporated into the basic funding model. Therefore, for 1978-79, there are only two areas which come under the second category. Additional funding is requested to improve the system level of support for existing bilingual activities. Funds are also necessary to provide the grant-in-aid to the Bar Admission Course of the Law Society of Upper Canada.

In Advisory Memorandum 76-III Council gave notice that bilingualism grants would constitute a priority item in its considerations for 1978-79. During the last few months Council, with the co-operation of the bilingual universities, has been studying the incremental costs of existing bilingualism programs. The preliminary results reveal that the bilingualism grant to the system in recent years has not been sufficient to meet these costs. Although Council's examination of the incremental costs will not be complete until discussions have been held with the bilingual universities in the fall, present evidence is sufficient to warrant taking initial corrective measures in 1978-79.

Council has estimated the funding need generated by an upward adjustment to the bilingualism grant and the provision of the grant-in-aid to the Bar Admission Course in 1978-79 to be \$1.5 million.

#### Funding Recommendations for 1978-79

The basic costing exercise undertaken in this Memorandum indicates a potential cost to Government of \$756.3 million in 1978-79. This represents a 9.7 per cent increase over the 1977-78 total of \$689.2 million made available by Government in the form of formula, graduate, supplementary, and basic bilingualism and Northern Ontario grants to the fifteen provincially-assisted universities, affiliated and church-related colleges, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art.

Council's recommendations imply expenditure increases in 1978-79 of 9.7% for the basic funding objectives. If tuition fees remain at their present level this amount represents the actual cost to the Government.

Accordingly, Council recommends to the Minister and the Lieutenant Governor in Council:

#### OCUA 77-11

FUNDING LEVEL FOR 1978-79 TO MEET THE COST OF BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES, RYERSON, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION AND THE ONTARIO COLLEGE OF ART

THAT the 1977-78 Government expenditures of \$689.2 million on behalf of the provincially-assisted universities, church-related colleges and affiliates, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art be increased to provide, through grant increases, or grant and formula fee increases compensated by student assistance, a 1978-79 funding level of \$756.3 million.

Consideration of special institutions and policy matters involves a 1978-79 funding level of \$1.5 million, this amount to be applied solely to an upward adjustment to the bilingualism grant and the provision of the grant-in-aid to the Bar Admission Course both of which are excluded from Council's basic funding exercise. Council recommends to the Minister and the Lieutenant Governor in Council:

#### OCUA 77-12

ADDITIONAL FUNDING FOR 1978-79 FOR THE EXISTING BILINGUALISM PROGRAMS AND THE BAR ADMISSION COURSE

THAT \$1.5 million be provided in 1978-79 as an initial step in recognition of the documented incremental costs of existing bilingualism programs and as a grant-in-aid for the Bar Admission Course.

#### **Capital Assistance**

Financial restrictions have been particularly felt in the area of capital assistance. For 1977-78, Council recommended that \$14.1 million be made available for new capital projects in addition to carryovers and new construction. When minor repair and maintenance projects, the job creation program and the operating cost savings and energy management programs are excluded from the funds actually made available, only \$6.0 million is being provided by the Government in 1977-78 for major renovation, alteration, and replacement projects. Despite this limited funding, the university system has indicated that for 1978-79, if a tradeoff between operating and capital funds is necessary, priority should be given to operating grants over capital grants.

In Advisory Memorandum 76-VIII Council developed guidelines and criteria for consideration of projects for capital assistance which reflected this restrictive environment. The Minister's acceptance of these guidelines and criteria means that new construction that adds to institutional space will only be considered when there is a serious space deficiency in relation to the institution's total space or with respect to a particular function. In addition, capital funds will be limited to major renovation and alteration projects, or to replacementof facilities when this is the more economical alternative. In this present memorandum Council addresses the level of capital assistance necessary in 1978-79 for major renovation, alteration and replacement projects. No estimate is provided for the funds necessary for new construction.

Council is convinced that funds needed for major renovations, alterations and replacement are related to the value of the space inventory. In the past two years however, Council has been hampered in its advice on capital funding by a lack of information on space inventories of the universities. Council has now received updated inventory information from COU and has obtained their study which indicates that 1.5% of inventory value should be made available each year for major renovations,

alterations and replacements. Recognizing the need to maintain the significant investment represented by the universities' existing capital facilities, for 1978-79 Council has chosen 1% of the space inventory valued at \$85 per net assignable square foot as the appropriate level of funds for major renovations, alterations and replacement, namely \$17.9 million.

Council notes that the composition of total operating plus capital funds for 1978-79 involves a transfer of \$3.4 million (that relates to the MCU grants for minor repair and maintenance projects) from capital into operating when compared with the composition of total funding in 1977-78. In recognition of this transfer, Council accordingly

deducts \$3.4 million from its capital request for 1978-79.

Council recommends to the Minister and to the Lieutenant Governor in Council:

OCUA 77-13 LEVEL OF SUPPORT FOR MAJOR RENOVATIONS, ALTERATIONS AND REPLACEMENT PROJECTS IN 1978-79

*THAT,* funds for capital assistance in 1978-79 be \$14.5 million for major renovation, alteration and replacement projects plus any amount necessitated by carryovers and new construction.

W.C. Winegard, Chairman

August 2, 1977

#### Appendix to Advisory Memorandum 77-III

The starting point for Council's funding advice is a revenue-determined expenditure base for 1977-78. Council's estimate of the base was facilitated by having a complete set of the Preliminary COFO-UO 1977-78 budgets from the universities. The total expenditure figure of \$895.4 million which appears in Column 1 of Table I is derived from Council's estimate of system-wide revenues in 1977-78.

The composition of the university system revenues is shown in Column 1 of Table A-I. Column 2 of Table A-I gives the university system revenues used in Advisory Memorandum 76-III as part of Council's funding level exercise for 1977-78. The differences in figures are explained by changes in the institutional and expenditure coverage and revisions in estimates of tuition fees and other revenues.

#### Formula and Non-Formula Grants

The funding figure of \$702.8 million from Advisory Memorandum 76-III is composed of \$682.8 million in formula grants plus \$20 million in additional revenues from the \$100 increase in formula fees effective in 1977-78. The Government's recognition of "particular financial circumstances" in Advisory Memorandum 76-III increased the Formula Grant amount of \$682.8 million by an additional \$3.5 million in 1977-78. As a result of the inclusion of Theology programs in Council's base, a further amount of \$2.9 million has been included as Formula Grants. These changes bring the \$682.8 million up to \$689.2 million i.e. the grant figure in Column 1 of Table A-I.

## **Other Revenues**

In Advisory Memorandum 76-III Council estimated other revenues at \$72.9 million for 1977-78. As noted earlier in this Memorandum, grants paid by the Ministry of Agriculture and Food to the University of Guelph and by the Ministry of Education to OISE are now excluded from the base. The removal of \$15.6 million that relates to these grants reduces the other revenue figure to \$57.3 million. The inclusion of MCU grants for minor repairs and maintenance projects to the 1977-78 base adds \$3.4 million to other revenues bringing their total to \$60.7 million. The final adjustment relates to that portion of university other revenues which range from short term interest income to local Government grants. The 1977-78 preliminary budgets indicate that this revenue will be \$2.4 million below Council's estimate in Advisory Memorandum 76-III. After noting recent downward trends in short term interest rates, Council accepts the budgeted figures and accordingly enters \$58.3 million in the base.

## **Tuition and Other Fees**

In Advisory Memorandum 76-III tuition and other fees were estimated at \$133.9 million for 1977-78. The \$100 increase in tuition fee added an estimated \$20 million for a total of \$153.9 million. In retrospect however, the figure of \$153.9 must be adjusted downwards in recognition of a forecasting error of undergraduate enrolment. Taking this into account, a downward revision by an amount of \$6 million reduces estimated tuition and other fees to \$147.9 million for 1977-78.

Table A-I

	University System 1977-78 (\$ m		
	Advisory Memorandum 77-III	Advisory Memorandum 76-III	
Formula and Non-Formula Grants	689.2	702.8	(682.8 plus 20 from formula fee increase
Other Revenues	58.3	72.9	
Tuition and Other Fees	147.9	133.9	
Total Revenue	895.4	909.6	

## 77-IV Capital Assistance

In Advisory Memorandum 76-VIII, Council outlined a set of guidelines and criteria to be applied in the consideration for funding of (1) new construction projects that add to institutional space and (2) building renovations, alterations and replacement. The limited capital funding at that time led Council to the conclusion that the only feasible way to distribute capital grants was through decision-making by Ministerial discretion. Present enrolment trends and the continuation of restrictions on funds confirm Council's view that the distribution of capital grants by formula must remain a subject for future consideration.

The purpose of this Memorandum is to assist the existing process of capital grant distribution in two ways: compilation of the information required by the Minister for the exercise of his discretion, and expansion of the criteria and guidelines to encompass a policy of capital assistance for rentals.

## **Assessment of Space Needs**

Since the introduction in 1972 of the near moratorium on capital funding and the suspension of the Interim Capital Formula as a means of generating entitlement for capital funds, information on the inventory of space in the system has not been readily available. Council, with data provided by the institutions through the Council of Ontario Universities, has now compiled a profile of existing space and an assessment of space needs in the Ontario university system.

Any assessment of space needs requires a set of standards against which to measure the adequacy of the space. Two sets of standards have been available in recent years to make such an assessment, the Interim Capital Formula Entitlement and the COU Space Standards. Although each of these two methods provides a measure of space needs, they are very different measures and the results are not directly comparable. Many universities maintain their records using both sets of standards. This is unreasonable at a time when universities are attempting to cut their operating expenditures.

The standards of the Interim Capital Formula (ICF), established in 1969, were based on student enrolment weighted according to an estimate of the space requirements of students in different programs. These standards generated a requirement for space exclusive of Health Science and Education space. Consideration was given in the formula to the quality of existing space in that an allowance was made for an age-quality discount factor to be applied to the university's inventory before it was matched against the standards to calculate the 'entitlement'. While the Interim Capital Formula is particularly useful because of the age quality discount, a serious disadvantage to its continued use is that it is not possible under the Interim Capital Formula to determine the types of space in which there is a surplus or deficiency.

The COU Space Standards (originally developed in *Building Blocks Vol. 1, Report of the Task Force-Space and Utilization*, Council of Ontario Universities 72-9) have certain distinct advantages over the Interim Capital Formula standards. They not only generate a total space requirement including Health Science and Education spaces, but enable calculation of surpluses and deficiencies of types of space e.g. library, classroom. In contrast to the weighted student factor of the ICF, a variety of input measures are used depending on the type of space. For example, student non-laboratory contact hours are the basis for determining classroom space needs, and FTE faculty the basis for instructional staff office space.

Although no specific account has been taken of the age or quality of space when comparing inventory with the COU standards, this is a disadvantage which can be offset. It means that in addition to the standards full consideration must be given to the age and quality of the space if needs are to be properly assessed.

While it is possible to argue about the appropriateness or validity of any standards, in the present environment it is necessary to have a rough measure of *comparative* 

space needs among universities. Without accepting the argument that the COU Space Standards provide an accurate measure of absolute space need, Council nevertheless believes that the COU Space Standards provide a relative measure of not only total space but also type of space among the institutions.

# Inventory of Space in the Ontario University System — December 1975 (Net assignable square feet — NASF)

Table 1

University	Government Funded	Privately Funded	Rentals	Total
Brock	465,387	2,732		468,119
Carleton	1,065,311		_	1,065,311
Guelph (excl. OVC)	1,243,458	60,223	_	1,303,681
- OVC	190,734	_	and a second	190,734
Lakehead	465,055	_	1,800	466,855
Laurentian (excl. affiliates)	437,976	_	_	437,976
McMaster	1,498,340	_	10,657	1,508,997
Ottawa	1,278,716	43,402	139,942	1,462,060
Queen's	1,415,446	226,681	11,663	1,653,790
Toronto — St. George	3,439,911	293,187	106,502	3,839,600
Toronto — Scarborough	326,916	4,354	_	331,270
Toronto — Erindale	387,272	21,393		408,665
Trent	279,265	_	_	279,265
Waterloo	1,468,804	41,043	18,966	1,528,813
Western	1,979,972	181,859		2,161,831
Wilfrid Laurier	234,950	53,346	25,464	313,760
Windsor	934,668	_	1,785	936,453
York — Keele	1,498,490	_		1,498,490
York — Glendon	148,563	_		148,563
Ryerson	871,050	_	70,416	941,466
Ontario College of Art	71,176	****	11,628	82,804
TOTAL	19,701,460	928,220	398,823	21,028,503

## Notes:

Institutions excluded from this table: Algoma, Nipissing, Hearst, church-related colleges, Ontario Institute for Studies in Education.

Total space includes all space included in the first 15 categories of the COU classification system and therefore excludes non-assignable space, residential living quarters, animal areas related to farm operations, inactive or substandard space, and unfinished space in McMaster Health Science facilities.

<sup>3.</sup> Privately funded space includes all space financed by non-government sources since the introduction of the InterimCapital Formula in 1969. All other space excluding rentals is considered to be government funded space.

## Accordingly, Council recommends to the Minister:

## OCUA 77-14 MEASURE OF COMPARATIVE SPACE NEEDS

THAT, the COU Space Standards be adopted as the measure of comparative space needs in the provincially-assisted universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art.

Table 2

University	Percentage Over (Under) Standard
Brock	18.8
Laurentian	9.7
Toronto — Erindale	1.7
McMaster (excl. Health Science)	(1.8)
York — Glendon	(4.4)
Lakehead	(4.9)
Waterloo	(5.5)
Windsor	(6.3)
Trent	(7.0)
Guelph (incl. OVC)	(7.2)
York — Keele	(7.6)
Toronto — St. George	(9.1)
Western	(9.2)
Toronto — Scarborough	(13.2)
Queen's	(13.9)
Carleton	(16.9)
Ryerson	(22.2)
Ottawa	(26.3)
Wilfrid Laurier	(35.4)
TOTAL	(10.2)

## Notes

- 1. Privately funded space and rental space have been excluded.
- 2. No allowance is made in this table for the age or the quality of the space.
- No data are available for McMaster Health Sciences, Ontario College of Art, Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates.
- 4. As noted in Table 1, total space includes all space included in the first 15 categories of the COU classification system.

The following profile of the space facilities at each university is meant to be used as a guide for indicating where problems may lie rather than as an absolute criterion for funding decisions. Tables 1 to 7 illustrate the type of information that is essential

to the capital decision process: inventory, comparison with standards, the age of the existing space and the amount of rented space. Although minor refinements may be necessary to definitions, classification, and accuracy, the data presented for December 1975 are the best information that Council has available at present. Council expects that similar information for November 1977 which incorporates these refinements will be available in the spring of 1978.

In the university system as of December 1975, there were a total of 21.0 million net assignable square feet excluding OISE, the church-related colleges and the Laurentian affiliates. Of this total 0.9 million NASF have been privately funded since the introduction of the Interim Capital Formula and 0.4 million NASF are rented by the

universities. Table 1 indicates the space inventory of each institution.

It is Government policy that private funding used by universities for capital facilities should not detract from the level of Government funds made available for capital purposes. Council wishes to reinforce its support of this policy. Consequently, the assessment of the severity of space deficiencies for the exercise of Ministerial discretion with respect to new construction, renovations, alterations, and replacement should not take into account the university space funded from private sources.

In Table 2 the existing inventory excluding privately funded space and rentals is expressed as a percentage of the space generated by the COU Standards. It can be seen from the table that most universities now have a deficit in comparison with the

standards.

Table 3

## Comparison of Available Space by Type of Space with COU Standards, 1975

	Percentage
Type of Space	Over (Under) Standard
Classroom	(6.4)
Classlabs	6.3
Research	(11.8)
Academic Office	(3.1)
Administrative Office	(14.9)
Library	(11.1)
Athletics	(36.5)
General Use	(13.7)
Special Use	(7.5)
TOTAL	(10.2)

## Notes:

- 1. Privately funded space and rental space have been excluded.
- 2. General use space includes space for food services, bookstore, common rooms, assembly and exhibition.
- 3. Special use space includes space for audio-visual centre, health service, maintenance, computer, and stores.

4. No allowance is made in this table for the age or the quality of space.

- No data are available for McMaster Health Sciences, Ontario College of Art, Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates.
- 6. As noted in Table 1 total space includes all space included in the first 15 categories of the COU classification system.

An ability to assess the types of space needed at each university is important when considering funding of alterations projects or any new construction that adds to institutional space. The prime advantage of the COU Space Standards is that they permit such an examination for nine major categories of space. Table 3 illustrates the space surpluses and deficiencies by type of space for the system. Similar information for each university is shown in the Appendix.

Capital allocations cannot depend only on an examination of the space deficiencies at each university. Full consideration must be given to the age and quality of the existing space. For some universities, the high proportion of the older space constitutes a major capital problem. At the system level, the age information provides an estimate of the needs for renovation and replacement.

As of December 1975, the age profile of the existing inventory of space in the university system (exclusive of rentals and privately funded space) was as shown in Table 4. The age of buildings where major renovation has upgraded the space is recorded from the time of that renovation.

Table 4

Age Profile of Exist	ing University Space, 1975
Age	% of Total Space
0 — 9 Yrs.	57.4
10 — 19	28.1
20 — 29	4.4
30 — 39	0.3
40 — 49	2.1
50 and over	7.7

1. Privately funded space and rental space have been excluded.

4. The age of buildings where major renovation has upgraded the space is recorded from the time of that renovation.

Although older space does not constitute a major portion of total university space, it is significant at certain universities. It should be noted that 26.7% (354,926 NASF) of Ottawa space and 22.5% (797,251 NASF) of Toronto space is older than 50 years of age.

<sup>2.</sup> No data are available for the Ontario College of Art, Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates

<sup>3.</sup> In addition to the space in the first 15 categories of the COU classification system, inactive or substandard space is included.

Table 5

## University Space Older Than 20 Years Of Age, 1975

	NASF	% of Total Space
Toronto — St. George	1,441,689	40.9
Ottawa	443,622	33.4
Guelph	265,780	18.4
Queen's	245,897	16.6
Wilfrid Laurier	34,413	14.6
Western	226,231	11.4
York — Glendon	13,788	9.3
Toronto — Scarborough	27,215	8.3
Trent	20,665	6.7
McMaster	90,178	6.0
Windsor	25,748	2.8
Toronto — Erindale	7,122	1.8
Brock	1,663	0.4
Waterloo	1,868	0.1
TOTAL	2,845,879	14.3

## Notes:

1. Privately funded space and rental space have been excluded.

2. No data are available for the Ontario College of Art, Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates.

3. In addition to the space in the first 15 categories of the COU classification system, inactive or substandard space is included.

4. The age of buildings where major renovation has upgraded the space is recorded from the time of that renovation.

The information provided above is illustrative of the type of data necessary to assist the Minister in applying the criteria for new construction, renovations, alterations, and replacements as outlined in Advisory Memorandum 76-VIII. Once this information has been compiled by an institution, a large effort is not required to maintain it. Accordingly, Council recommends to the Minister:

OCUA 77-15

## COLLECTION OF CAPITAL INFORMATION

THAT, the Ministry of Colleges and Universities collect and publish annually the space information illustrated in this Memorandum.

**Capital Assistance for Space Rentals** 

Since the imposition of the virtual freeze on new capital construction in 1972, the rental of space has become an important alternative means for a university to satisfy its space needs. If an institution has an overall space shortage, or if any available space is either unsuitable or would require uneconomic alterations to satisfy the particular need, rental may become an attractive option, either through long-term rental contracts as an alternative to new construction or by short-term rentals designed to satisfy severe space shortages. Indeed, at a time when enrolment is at best stable and expected to decline, rental may be the most efficient way of solving many space problems.

In 1975-76 398,823 NASF or 1.9% of total system inventory was short-term rented

space at a cost of \$1.3 million.

Table 6

## Inventory of Rented Space, 1975-76

	NASF	% of Total Space (including rentals)
Ottawa	139,942	9.6
Toronto — St. George	106,502	2.8
Ryerson	70,416	7.5
Wilfrid Laurier	25,464	8.1
Waterloo	18,966	1.2
Queen's	11,663	0.7
Ontario College of Art	11,628	14.0
McMaster	10,657	0.7
Lakehead	1,800	0.4
Windsor	1,785	0.2
TOTAL	398,823	1.9

## Notes

1. Total space includes privately funded and rental space.

2. As noted in Table 1, total space includes all space included in the first 15 categories of the COU classification system.

3. No data are available for the Ontario Institute for Studies in Education, church-related colleges, and Laurentian affiliates.

Universities which choose to rent space because of inadequate capital facilities are put at a disadvantage because such rentals must be funded out of their limited operating funds. Arguments have been made in briefs to Council by some universities and by the Council of Ontario Universities that provision for support of rented space should be made within a program of capital assistance for universities. Council agrees with the principle of providing capital grants for space rentals, subject to criteria outlined in the remainder of this Memorandum.

The cost of space rental will vary depending on the type of space being rented, the quality of space available and its geographic location. It is therefore not reasonable to specify a particular dollar level per square foot that should be allowed for a rental

grant. Each request will have to be assessed individually.

Only the capital cost of a rental i.e. the cost of the space itself exclusive of operating costs, would be eligible for assistance. Therefore, maintenance costs such as heating, lighting, cleaning, and minor repairs would be excluded from any grants to support rentals. Renovations and alterations to the rented space would similarly be excluded from any grant support. Universities are of course well aware that the addition of rental space, as with new construction space, places a burden on the operating funds of the institution for the operation and maintenance of the rented facilities.

Consistent with Council's previous advice on capital assistance to universities, satisfying a set of criteria would not guarantee an institution any funds. It would simply make an institution eligible for the exercise of Ministerial discretion for funding.

Long-Term Rentals — A long-term rental contract of say 20 years might, under some circumstances, provide a reasonable alternative to direct capital investment for a university if, for example, there is difficulty in obtaining land or if rental is more economical than new construction. Eligibility for consideration for funding of any such long-term rental would have to be in the context of the criteria for new construction that adds to institutional space as described in Advisory Memorandum 76-VIII. This is particularly important given the increasing possibility of enrolment declines.

Council recommends to the Minister:

OCUA 77-16 CRITERIA FOR CAPITAL ASSISTANCE ELIGIBILITY FOR LONG-TERM RENTALS

*THAT*, long-term rentals be considered eligible for the exercise of Ministerial discretion for capital assistance according to the considerations outlined in this Memorandum and the criteria in Advisory Memorandum 76-VIII.

Short-Term Rentals — Most of the rental agreements into which universities enter are short-run contracts (3 to 5 years) designed to meet specific immediate space needs. Council agrees with the general principle that capital funds support short-term rentals, but subject to certain qualifying criteria outlined below.

Because the concern is for severe space shortages, the purpose of the policy on short-term rental grants is not to offset completely any space deficiencies. It is intended as a means of alleviating an immediate problem. Consequently, Council deems it appropriate to consider the total space to which the university has access, including privately funded space but excluding rentals. (See Table 7)

## Criteria for Short-Term Rental Grants

For institutions to be eligible for consideration for rental grants, all of the following criteria should be satisfied:

(1) The space inventory of the institution, including all space to which the university has access, exclusive of short-term rentals, must be more than 10% under the space generated for that institution by the COU Space Standards.

(2) Institutions must have a shortage of space of the particular type for which they

are seeking rental grants e.g. classroom.

(3) Institutions must be able to demonstrate that any existing excess space of an-

other type cannot or should not be altered to satisfy the need.

The first criterion supports Council's belief that consideration for rental grants should only be given to those institutions where there is a serious space need. Whether or not the standards provide an accurate measure of need, an institution might be deemed to have a significant space shortage if it is well below standard in percentage terms, say 10%, when all space to which it has access exclusive of short-term rentals is included. Universities would have to provide indication that the space shortage would be likely to continue over the length of the proposed rental contract.

However, in Council's opinion an overall space shortage is not by itself a sufficient justification for rental grant eligibility. The proposed rental must be of space primarily of the type where there is a shortage. If a university has an overall space shortage of 15% when compared with the COU Space Standards, but has a 1% surplus in one component of that space, say classroom, the institution should not be eligible for a

capital grant to rent classroom space.

Rental of additional space must compete with alterations of existing space as a means of satisfying a university's space needs. Council's third criterion puts the onus on the institution to evaluate rental proposals in this context before requesting grant consideration.

Table 7

Comparison of Total Space by	Institution with COU	Standards, 1975
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University	Percentage Over (Under) Standard
Brock	19.5
Laurentian	9.7
Toronto — Erindale	7.3
Queen's	(0.1)
Western .	(0.9)
Toronto — St. George	(1.3)
McMaster (excluding Health Science)	(1.8)
Waterloo	(2.9)
Guelph (excluding OVC)	(3.1)
York — Glendon	(4.4)
Guelph — OVC	(4.8)
Lakehead	(4.9)
Windsor	(6.3)
Trent	(7.0)
York — Keele	(7.6)
Toronto — Scarborough	(12.0)
Carleton	(16.9)
Wilfrid Laurier	(20.7)
Ryerson	(22.2)
Ottawa	(23.7)

## Notes:

- 1. Privately funded space has been included.
- 2. Rental space has been excluded.
- 3. No allowance is made in this table for the age or the quality of the space.
- No data are available for McMaster Health Sciences, Ontario College of Art, Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates.
- 5. As noted in Table 1, total space includes all space included in the first 15 categories of the COU classification system.

Universities receiving a short-term rental grant would need a commitment by Government to continue the grant for more than one year. In a time of uncertain enrolment levels, an appropriate period for Government to guarantee continuation of the grant might be three years. It would also be understood that the rental would become eligible for consideration for grant renewal at the end of the three-year period in accordance with the short-term rental criteria described above.

Therefore, Council recommends to the Minister:

OCUA 77-17 CRITERIA FOR CAPITAL ASSISTANCE ELIGIBILITY FOR SHORT-TERM RENTALS

THAT, short-term rentals be considered eligible for the exercise of Ministerial discretion for capital assistance according to the considerations and criteria outlined in this Memorandum.

W.C. Winegard, Chairman

December 16, 1977

# Comparison of Available Space by Institution and by Space Type with COU Standards, 1975 — Percentage Over (Under) Standard

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TOTAL	Ryerson	— Glendon	York — Keele	Windsor	Wilfrid Laurier	Western	Waterloo	Trent	— Erindale	— Scarborough	Toronto — St. George	Queen's	Ottawa	McMaster — excl. Health Sciences	Laurentian	Lakehead	- OVC	Carleton	Brock	University
(6.4)	2.1	17.4	3.6	(4.5)	(34.5)	0.5	(14.6)	(22.5)	(11.6)	(48.1)	(1.0)	(5.2)	(16.5)	(15.3)	42.4	(2.5)	(19.3)	(27.6)	56.1	Classroom
6.3	(20.8)	0.0	0.0	26.9	(29.2)	ω .ω	2.4	24.3	28.0	95.5	24.2	(19.8)	(20.8)	(2.4)	49.2	(1.7)	2.0	33.3	79.5	Class
(11.8)	N/A	(51.9)	(12.2)	(19.4)	(46.6)	(25.3)	9.3	34.0	87.1	(19.4)	(10.1)	(2.9)	(26.6)	33.2	(43.2)	(49.2)	(18.5)	(28.4)	(57.8)	Research
(3.1)	(26.2)	(6.2)	(1.4)	6.3	(48.8)	(9.0)	9.9	(4.4)	10.3	(28.4)	(2.2)	7.2	(18.1)	(1.2)	(9.9)	(32.1)	44.0	13.3	11.9	Academic Office
(14.9)	(35.9)	(23.0)	1.9	(34.5)	(29.0)	(0.5)	5.0	3.7	(39.0)	(60.5)	(17.8)	(31.7)	(40.6)	8.9	0.1	(22.4)	(92.3)	(22.5)	(6.4)	Admin. Office
(11.1)	(11.2)	(21.0)	8.0	(3.7)	(3.6)	(1.4)	(19.0)	(7.3)	24.2	(39.2)	0.7	(29.0)	(22.1)	(28.6)	(10.2)	(10.2)	(37.4)	(40.2)	(20.1)	Library
(36.5)	(62.2)	(9.4)	(42.8)	(33.2)	(95.6)	(64.5)	(39.8)	(95.5)	(51.5)	(13.8)	(52.1)	(17.4)	(52.6)	(3.9)	49.7	34.0	N/A	(25.9)	25.2	Athletics
(13.7)	(24.3)	28.1	(9.3)	(21.2)	(9.3)	7.6	(19.8)	30.9	(2.9)	(35.2)	(34.9)	(14.0)	(33.6)	(21.3)	3.0	35.1	32.4	(30.4)	44.5	General Use
(7.5)	0.9	(19.7)	(52.5)	10.1	(32.2)	(11.6)	1.2	19.7	(19.4)	117.4	(30.6)	(16.2)	(16.0)	50.7	26.7	(5.5)	(69.5)	(31.0)	19.5	Special Use
(10.2)	(22.2)	(4.4)	(7.6)	(6.3)	(35.4)	(9.2)	(5.5)	(7.0)	1.7	(13.2)	(9.1)	(13.9)	(26.3)	(1.8)	9.7	(4.9)	(4.8)	(16.9)	18.8	Total

Notes: 1. Priv: 2. Gen 3. Spe 4. No 5. No 6. As 7. N/

Privately funded space and rental space have been excluded.

General use space includes space for food services, bookstore, common rooms, assembly and exhibition.

Special use space includes space for audio-visual centre, health service, maintenance, computer, and stores.

Special use space includes space for audio-visual centre, health service, maintenance, computer, and stores.

No allowance is made in this table for the age or the quality of space.

No data are available for McMaster Health Sciences, Ontario College of Art. Ontario Institute for Studies in Education, church-related colleges and Laurentian affiliates.

N/A - Not applicable. The university has no space of this type. As noted in Table 1 total space includes all space included in the first 15 categories of the COU classification system.

# 77-V Funding for the Mining Engineering and the Mineral Processing Engineering Programs at Laurentian University

By letter dated August 1, 1974, the Hon. James Auld, Minister of Colleges and Universities at the time, stated that "the Ministry will only approve funding of a new professional program after the OCUA recommends the program". Pursuant to the Minister's instructions, Council has reviewed the request from Laurentian University that students enrolled in the academic year 1977-78 in year III of its baccalaureate programs in Mining and Mineral Processing Engineering and students enrolled in year IV of the same programs beginning in 1978-79 be eligible for funding.

In conducting the review, Council noted that the programs were approved by the Committee of Ontario Deans of Engineering on October 3, 1977 and by the Council

of Ontario Universities on November 4, 1977.

The review process consists of seeking answers to several questions that Council felt to be important. Some of these are set out below:

Are there similar programs in Ontario?

Are the existing programs at or near capacity?

Will new programs jeopardize the economic viability of any existing program?

Is there evidence that the proposed programs will meet a specific student demand?

Are positions available for graduates of existing programs?

Is there evidence of local support for the programs?

Is there co-operation between neighbouring institutions (universities and/or community colleges)?

Do the programs have support from the profession?

Does the subject matter of the programs have any particular significance to the region surrounding the university?

Many of the questions were answerable from material supplied by Laurentian University. Others could only be answered through consultation with Queen's University, which has the existing programs, and other interested parties. The responses to the questions lead Council to the conclusion that the programs at Laurentian should be approved for funding and accordingly recommends to the Minister:

OCUA 77-18
FUNDING FOR THE MINING ENGINEERING AND THE MINERAL PROCESSING FNGINEERING PROGRAMS AT LAURENTIAN UNIVERSITY

THAT, beginning in the academic year 1977-78, students enrolled in the III year of the programs be eligible for funding in subsequent years and that beginning in the academic year 1978-79, students enrolled in the IV year of the programs be eligible for funding in subsequent years.

It is assumed, of course, that the related basic income units would be part of the moving three-year average only. They would not be included in the undergraduate formula funding base for the calculation of undergraduate formula grants.

W.C. Winegard, Chairman

December 16, 1977

## 77-VI The Allocation of the Government's Operating Support for the University System in 1978-79

By letter of October 19, 1977, the Minister of Colleges and Universities informed the Chairman of Council that Government financial support in the form of operating grants to the universities would increase by \$41 million in 1978-79, a 5.9% increase over the preceding year's level of support. Council notes with regret that this increase is \$26.1 million less than the \$67.1 million increase in Government support it recommended in Advisory Memorandum 77-III. The 5.9% increase in grants translates into a 5.1% increase in Basic Operating Income plus non-formula grants to the university system because tuition fee rates have not been allowed to increase for 1978-79. Also available for distribution on Council's recommendation is an additional \$5.8 million previously allocated to the university system by the Ministry for building maintenance and repair projects. Thus the total amount available for allocation in 1978-79 is \$736.4 million. Council's recommendations for the allocation of this amount include the distribution of Northern Ontario grants, bilingualism grants, supplementary grants, special grants, and graduate and undergraduate formula grants.

## Northern Ontario Grants

In 1975-76 Council acknowledged the need for special assistance arising from the fiscal problems of providing university education in the Northern environment. Council accordingly recommended that the Government establish Northern Ontario grants for Lakehead, Laurentian, and Laurentian's affiliated colleges. In the following year Council developed a "mini-formula" for use in the annual calculation of Northern Ontario grants. Essentially the "mini-formula" generates Northern grants with reference to prior-year Basic Operating Income. Details of the development of this formula and its applicability to each institution are outlined in Advisory Memorandum 75-VII.

For 1978-79, Council continues to employ the "mini-formula" in calculating Northern grants and accordingly *recommends to the Minister:* 

OCUA 77-19 NORTHERN ONTARIO GRANTS 1978-79

THAT Northern Ontario Grants in the following amounts be made in 1978-79:

Lakehead	\$1,380,000
Laurentian	\$1,356,000
Algoma	\$ 166,000
Hearst	\$ 97,000
Nipissing	\$ 214,000

## **Bilingualism Grants**

In recent years, Council's advice on bilingualism grants has been made in the absence of adequate information on university costs attributable to bilingualism. During the last year, Council has completed a study of the incremental costs associated with bilingualism in Ontario universities and is now equipped with strong evidence on which to base its bilingualism grant recommendations.

The purposes of the study were to identify the additional costs associated with existing bilingual activities, to outline a standard costing method that could be applied to all designated bilingual institutions, and to determine the amount of these costs. Details of the standard costing method adopted by Council and the results of the study for 1976-77 for each institution are given in the Appendix to this Memorandum.

The successful completion of the study of bilingualism costs has to a great extent been due to the efforts of bilingual institutions in preparing information for the project. Council is indebted to the representatives of these institutions for their work in provision of data and preparation of briefs, and for their discussions with Council of

the problems associated with the funding of bilingualism activities.

Results of the study indicate that the total cost of existing bilingualism activities in 1976-77 was \$5.515 million. This exceeds the grants for bilingualism in that year by \$1.67 million. Realizing the approximate magnitude of this shortfall on the basis of preliminary cost study results, Council took initial corrective measures at the time it submitted its funding level advice for 1978-79. Additional funding of approximately \$1 million for bilingualism in 1978-79 was recommended in Advisory Memorandum 77-III. At present, Council has not received a response from the Government to this recommendation for additional funding. As a result, the total bilingualism grants presently available for distribution for 1978-79 are the 1977-78 grants increased by the percentage increase in total university operating grants for 1978-79, namely 5.9%. This is consistent with the method used by Council for determining total bilingualism grants for the last two years. If and when approval is given for additional bilingualism funding for 1978-79, total bilingualism grants would be further increased by the amount forthcoming.

It is Council's intention that the distribution of the costs of bilingualism among institutions in 1976-77 should form the basis for bilingualism grant allocation for a 4 to 6 year period. At the end of this period bilingualism costs would again be reviewed to determine the appropriate level and distribution of grants for a subsequent

period.

It should be remembered that the costs of new bilingualism initiatives remain separate from the calculation of the incremental costs of existing bilingual activities. Council believes that start-up funding for such activities should remain a matter for negotiation between the Ministry of Colleges and Universities and the individual institution, either directly or through the Advisory Council on Franco-Ontarian Affairs. New bilingualism initiatives affecting universities may arise from various government ministries or agencies. To ensure that the interests of all parties are best served, the Ministry of Colleges and Universities should assume a coordinating role with respect to such initiatives. Any new long term bilingualism activities will be reviewed by Council for incorporation into its costing exercise at the time of the next cost review. Start-up funding should therefore be sufficient to sustain any new program until the subsequent periodic review of bilingualism costs.

Council has opted to phase in the new distribution of bilingualism grants over a two-year period. This ensures no major perturbations in grants and is consistent with Council's method of recommending the additional funding for bilingualism in stages. Consequently, total available bilingualism grants will be allocated to institutions, one-half based on the distribution of 1977-78 bilingualism grants and one-half according to the incidence of 1976-77 bilingualism costs. Accordingly, Council

recommends to the Minister:

## OCUA 77-20 **BILINGUALISM GRANTS 1978-79**

THAT bilingualism grants be made in 1978-79 in the following amounts:

\$3,345,000 Ottawa \$ 813,000 Laurentian \$ 146,000 Glendon 34.000 \$ Hearst \$ 25.000 Sudbury \$ 114,000 St. Paul

plus the corresponding proportion of any additional funds made available in response to OCUA Recommendation 77-12.

## **Supplementary Grants**

In Advisory Memoranda 75-VII and 76-VI Council stated its intent to reduce, year by year, supplementary grants to Lakehead, Laurentian, and Trent. Council is more certain than ever that time must play the major role in the emergence of these institutions onto formula funding.

Council visualizes a future in which any of a number of institutions will face declining enrolments. Size cannot continue to be a factor in awarding supplementary grants because there could be several eligible claimants in the years to come despite the fact that the present formula allows substantial protection for institutions that decline in enrolment. The problem of declining enrolment and institutional adjustment must be faced. Continued special funding for some institutions now, and perhaps more in the future, will not make effective use of the resources likely to be available to the system.

Council now wishes to make clear its intention to recommend continued reductions in grants to each institution until the grants reach zero. For 1978-79 Council recommends to the Minister:

## OCUA 77-21 SUPPLEMENTARY GRANTS 1978-79

THAT supplementary grants be made in the following amounts:

 Lakehead
 \$ 500,000

 Laurentian
 \$ 250,000

 Trent
 \$1,150,000

## **Special Grants**

In the past, this section of Council's allocative advice has included a recommendation with respect to the annual rental grant to the Ontario College of Art. In 1977-78 the Ontario College of Art received a final payment with respect to the five-year rental agreement, and any future consideration of rental grants should be within the framework of Council's recommendations on rental policy contained in Advisory Memorandum 77-IV.

Bar Admission Course. Council, in Advisory Memorandum 74-II, made the observation that a policy of partial grants-in-aid had been adopted by the Government with respect to grant support for the Bar Admission Course. For the past two years Council has respected this policy when recommending grant amounts for the Bar Admission Course. Council recommended grant increases equal to those accorded to the university system as a whole. For 1978-79, Council continues with this approach and proposes that the 1977-78 grant-in-aid of \$432,000 be increased by 5.9%. Council accordingly recommends to the Minister:

OCUA 77-22 GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1978-79.

THAT a grant of \$458,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1978-79.

GFU and BIU Values Under the Government's Expenditure Target for 1978-79

The spending target referred to Council by the Minister for allocation in 1978-79 is \$736.4 million. Table I records the deductions from the \$736.4 million that correspond to the recommendations in this Memorandum for Northern, bilingualism, and supplementary grants, and the grant-in-aid for the Bar Admission Course. In addition, an amount of \$3,570,000 is set aside as a contingency. This contingency amount is

used as a reserve in case of a possible increase in total 1977-78 BIUs over the current estimate or from a change in funding arrangements for the theology schools still receiving 50% funding. It is noted that if this contingency is not required these funds become available for distribution as graduate and undergraduate formula grants. In Table I, \$13,618,000 to cover the above amounts is deducted from the total of \$736.4 million, leaving \$722,782,000 available at this time for distribution in the form of graduate and undergraduate formula grants. The institutions eligible for grant support are the fifteen provincially-assisted universities, the Laurentian affiliates, church-related colleges (including theology programs), Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, and the Ontario College of Art.

The amount of \$722,782,000 permits a GFU value of \$2,580 and a BIU value of \$2,647. Both of these unit values represent a 4.8% increase over the 1977-78 unit values of \$2,461 and \$2,525. Since the period of formula suspension with respect to the funding of graduate work was extended to 1978-79 in Advisory Memorandum 76-IV (OCUA 76-11), the GFU value continues to apply to the number of graduate funding units that obtained in 1975-76. The BIU value is applied in accordance with the distribution mechanism for undergraduate formula grants that was established by Council in Advisory Memorandum 76-VII (OCUA 76-22). This mechanism distributes undergraduate formula grants in relation to the number of BIUs in the Undergraduate Formula Funding Base plus 50 per cent of the difference between the average number of BIUs in 1977-78, 1976-77 and 1975-76 and the number of BIUs in the Undergraduate Formula Funding Base.

With the amount in the contingency set aside, Council recommends to the Minister:

## OCUA 77-23 GFU AND BIU VALUES FOR 1978-79

THAT, for 1978-79, the GFU value be not less than \$2,580 and the BIU value be not less than \$2,647.

## Table I

# Availability of Funds for Distribution as Graduate and Undergraduate Formula Grants under the 1978-79 Spending Target referred to Council

\$736,400,000 Available for Council's Allocative Recommendations Deduct \$ 3.213.000 Northern Ontario Grants 4.477,000 Bilingualism Grants 1.900,000 Supplementary Grants 458,000 **Bar Admission Course** \$10.048,000 Sub-Total 3,570,000 Contingency \$13,618,000 **Total Deductions** Available for Distribution as Graduate and Undergraduate Formula Grants \$722,782,000

In Table II, Council summarizes the end results of the allocation recommended in this Memorandum by tabulating the individual grants accruing to each of the institutions in the university system for 1978-79. This Table records as well the

Distribution of Grants Generated by Recommendations in Advisory Memorandum 77-VI — (\$ thousands)

			1978-79 RE	1978-79 RECOMMENDATIONS	S		1977-78	Per Cent
	Formula and	Northern			Special		Total	Change
	Grants	Grants	Grants <sup>2</sup>	Supplementary Grants	Grant and Contingency	Total Grants Recommended <sup>3</sup>	Grants	
Brock	11,835					11,835	11.061	7.0
Carleton	38,078					38,078	35,927	0.9
Guelph	45,753					45,753	42,768	7.0
Lakehead	11,061	1,380		200		12,941	12,273	5.4
Laurentian	10,427	1,356	838	250		12,871	12,264	4.9
-Algoma	1,032	166				1,198	1.164	5.0
- Nipissing	1,561	214				1,775	1.570	13.1
- Hearst	271	97	34			402	393	23
McMaster	50,142					50,142	46.890	0.0
Ottawa	56,474		3,459			59,933	56.015	7.0
Queen's	49,854					49,854	46.710	6.7
Toronto	161,021					161,021	152.321	5.7
Trent	7,281			1,150		8.431	8 095	4.0
Waterloo	56,323					56,323	52.521	7.2
Western	74,432					74.432	70.352	ι α
Wilfrid Laurier	13,208					13,208	12.283	7.5
Windsor	33,283					33,283	30.680	8 22
York	56,359		146			56,505	53.307	80
Ryerson	29,051					29,051	27.267	6.5
OISE	10,331					10,331	9,790	5.5
College of Art	4,263					4,263	3,872	10.1
Theology.	742					742	675	6.6
IOIAL	722,782	3,213	4,477	1,900		732,372	688,198	6.4
Bar Admission					458	458	432	5.9
Contingency					C			

Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 77-VI — (\$ thousands)

			1978-7	1978-79 RECOMMENDATIONS	CNO		BOI plue	
	Basic Operating Income (BOI) <sup>2</sup>	Northern Ontario Grants	Bilingualism Grants <sup>3</sup>	Supplementary Grants	Special Grant and Contingency	BOI plus Northern Bilingualism Supplementary and Special Grants <sup>4</sup>	Northern Bilingualism Supplementary and Special Grants <sup>5</sup>	Per Cent Change
Brock	14,381					14,381	13,606	2.7
Carleton	46,358					46,358	44,242	4.8
Guelph	53,233					53,233	50,188	6.1
Lakehead	13,385	1,380		200		15,265	14,555	4.9
Laurentian	12,993	1,356	838	250	100 F 100 F 100 F 100 F	15,437	14,837	4.0
Algoma	1,393	166				1,559	1,539	1.3
Nipissing	1,971	214				2,185	1,972	10.8
Hearst	366	26	34			497	495	0.4
McMaster	58,618					58,618	55,277	0.9
Ottawa	66,672		3,459			70,131	66,121	6.1
Queen's	58,107				and the second s	58,107	54,900	5.8
Toronto	186,263					186,263	177,628	4.9
Trent	9,177			1,150		10,327	9,950	3.8
Waterloo	988'99					988,99	62,891	6.4
Western	88,352					88,352	84,289	4.8
Wilfrid Laurier	16,463					16,463	15,500	6.2
Windsor	40,107					40,107	37,349	7.4
York	68,621		146			68,767	65,554	4.9
Ryerson	33,422					33,422	31,599	5.8
OISE	11,344					11,344	10,800	2.0
College of Art	5,083					5,083	4,650	9.3
Theology <sup>1</sup>	992					266	911	8.9
TOTAL	854,187	3,213	4,477	1,900		863,777	818,853	5.5
Bar Admission					458	458	432	5.9
Contingo					3.570			

Theology includes those institutions receiving 50% funding. Those theology schools receiving 100% funding are included with the parent institution. 1978-79 BOI is calculated using a BIU value of \$2.647 and a GFU value of \$2.580.
Bilingualism grants for affiliated institutions are included with the parent university.
The 1978-79 BIO salcoation of BOI includes \$5.8 million that was formerly distributed as earmarked funds for building repair and maintenance projects.
1977-78 BOI is calculated using a BIU value of \$2.525 and a GFU value of \$2.461.

recommended levels of Northern Ontario, bilingualism, and supplementary grants, and the grant-in-aid for the Bar Admission Course. The percentage column on the right hand side of the Table indicates the percentage increase in total grants over the total grants received in 1977-78.

In Table III, Council tabulates the Basic Operating Income that accrues to each of the institutions for 1978-79. The percentage column on the right hand side of this table shows the percentage increase in Basic Operating Income, or where appropriate, the percentage increase in Basic Operating Income plus designated grants, over the corresponding totals for 1977-78. In presenting Basic Operating Income Council notes that the BOI figures are a closer representation of institutional income than grant figures for 1978-79 because tuition fee rates have not been allowed to increase.

The institutional results depicted in Tables II and III are subject to change from two sources. The first is the disposition of the contengency fund. The second concerns the enrolment by institution of those visa students who are subject to higher fees. The saving to Government occasioned by these higher fees has already been incorporated into the Government's intended expenditure of \$736.4 million. The differential fee revenue will be deducted by the Ministry from the institutional grants with the result that actual operating grants become less than the \$736.4 million. To ensure that the Government's intended expenditure does in fact accrue to the university system, the foreign fee revenue must be returned to the system when the total number on non-exempt visa students becomes known.

**Enrolment Sensitivity to Undergraduate Enrolment Change** 

For 1977-78, Council recommended and the Minister approved the implementation of a new mechanism for the distribution of undergraduate formula grants. The design of the new mechanism represented the final stage of a gradual process whereby Council, over a three year period, had significantly reduced the sensitivity of the undergraduate distribution formula to enrolment change. The details of the development and application of the mechanism are contained in Advisory Memorandum 76-VII. Fundamentally, the mechanism distributes undergraduate formula grants in accordance with the number of BIUs in a stated base plus the difference between the number of BIUs in a three-year moving average and the base. In addition, to further cushion the impact of enrolment fluctuations, a percentage discount factor is applied to the difference between the moving average and the base. Council, for 1978-79, decided upon the use of a 50% discount factor. Council recognizes that the current discount factor makes a substantial contribution to the long run stabilization of university revenues against enrolment fluctuations. With respect to discount factors in the future, the choice depends upon enrolment change and the level of Government funding. Council's current intent is to apply the 50% discount factor in the undergraduate distribution formula for 1979-80.

W.C. Winegard, Chairman

January 27, 1978

Appendix to Advisory Memorandum 77-VI

Methodology for Calculation of the Incremental Costs of Bilingualism

In its study of the 1976-77 incremental costs of bilingualism Council identifies six components of these costs: (i) parallel course offerings, (ii) second language training, (iii) library, (iv) translation, (v) publishing, printing, stationery and supplies, and (vi) administrative staff. A description of the standard method adopted for calculating the costs included in each of these components is given below. Results of the study for each institution are shown in Table A.

(i) Parallel Course Offerings

Parallel courses exist when the same subject material is being taught in both English and French on the same campus in a given academic year. Language courses are excluded from the definition of parallel courses except for English/Français parallel courses at Laurentian. No incremental costs are attributed to sections of parallel courses that are produced by normal sectioning practices. Incremental costs are allowed solely for additional sections whose existence is attributable only to the bilingual nature of the institution, provided that the enrolment in such sections is greater than one student.

The incremental faculty cost is derived by dividing the additional sections required by the average teaching load per faculty member and multiplying by the average faculty salary plus fringe benefits in the institution (excluding medicine). The incremental support staff costs are obtained by multiplying the additional teaching assistants, technicians, and clerk/typists by the average salary plus fringe benefits

for each of these categories.

(ii) Second Language Training

The incremental cost of second language training is limited to the institution's expenditures on second language training for (a) students where that training was in addition to the student's regular curriculum, and (b) faculty and staff.

(iii) Library

The library costs of bilingualism have two elements: book costs and cataloguing costs. Incremental book costs are derived by comparing the proportion of the total purchases of books and periodicals in each bilingual institution's minority language with the corresponding proportion at a comparable unilingual institution. When the difference between the proportions is applied to the total books and periodials purchased at the bilingual institution, the incremental book costs as a result of bilingualism are calculated. Incremental cataloguing costs have been determined as involving (a) 10¢ per extra catalogue card purchased because of bilingualism, and (b) expenditures on the translation of library cards.

(iv) Translation

The expenditures of the institution's central translation department, expenditures on external translation services, and expenditures of academic departments on French-English and English-French translations of specialized documents are deemed to be incremental costs.

(v) Publishing, Printing, Stationery, and Supplies

Each institution's estimate of additional expenditures on publishing, printing, stationery and supplies as a result of bilingualism is deemed an incremental cost.

(vi) Administrative Staff

The total costs of (a) the extra staff required to provide bilingual services and (b) salary differentials for bilingualism paid to staff who must be bilingual to perform their function are deemed to be incremental costs.

Table A

## Incremental Costs of Bilingualism in Designated Ontario Universities, 1976-77

	Ottawa	St. Paul	Laurentian	Sudbury	Hearst	Glendon (York)
Parallel Course Offerings	\$1,462,074	\$166,015	\$ 749,760	\$16,060	\$16,162	\$ 85,504
Second Language Training	1,009,768	_	33,500	_	7,481	4,835
Library	108,459	20,311	62,060	805	7,255	15,840
Translation	41,561	650	44,277		8,500	3,494
Publishing, Printing Stationery and Supplies	257,395	_	73,530	2,065	6,300	14,019
Administrative Staff	1,224,483	11,220	51,053		5,000	5,900
TOTAL	\$4,103,740	\$198,196	\$1,014,180	\$18,930	\$50,698	\$129,592

## 77-VII Graduate Program Planning and Funding

Sixteen months have elapsed since graduate program planning and funding were last formally addressed by Council in Advisory Memorandum 76-IV. Throughout 1977 Council pursued these subjects with individual institutions, the university collectivity, the Minister and his officials. Council has now reached a point where it wishes to outline its intentions in two general areas: Planning the Graduate Enterprise and Funding Graduate Programs.

## **Planning the Graduate Enterprise**

**Objectives for the First Quinquennium** 

The quinquennial approach to graduate planning and the period of the first quinquennium, 1979-80 through 1983-84, raised in Advisory Memorandum 76-IV appear to be agreeable to the universities and Ministry officials. What were received with mixed reactions, however, were the quinquennial objectives which Council posed at the time.

The original tentative list of objectives in the Memorandum was accompanied by the suggestion that "the launching of a first quinquennium will coincide with a time for consolidation". Since that time Council has become even more convinced that consolidation must be the theme of the first quinquennial period. All indications point toward strictly constrained Provincial funding for the next few years, and there is no evidence to suggest that graduate enrolment will rise above the 1976-77 level, in which year the system recorded the highest graduate enrolment levels to date. The trend in graduate enrolment for the five years preceding 1977-78 was one of steady but gradual growth. What is known about 1977-78 graduate enrolment a this time indicates a decline in the neighbourhood of 4% from the 1976-77 level. A number of circumstances surrounding this year's decrease suggest the beginning of a new trend of graduate enrolment decline which will be neither insignificant nor short-term.

With these factors in mind Council reconsidered the objectives for the first quinquennium and concluded that certain refinements were needed if the objectives were to be achievable within a period of five years. Council also wished to ensure that the objectives could be directly assimilated into the internal planning and decision-making processes of the universities, and at the same time, would strengthen the program and discipline review processes of the university collectivity.

Having taken into account the above considerations, Council enunciates the following as its objectives for the first graduate planning quinquennium:

1. Recognition and protection of outstanding doctoral programs;

2. Support of good quality graduate programs;

3. Elimination of graduate programs of unsatisfactory quality;

4. Prevention of further duplication of graduate programs;5. Recognition of high quality graduate programs in new fields of study for which there is a genuine need;

6. Maintenance of a satisfactory amount of scholarship and research activity in the university system.

In the first three objectives the emphasis on quality stems from Council's belief that it is in the public interest to ensure that all graduate programs recognized for formula funding have achieved a high academic standard. Those programs which do not meet the standards should not be eligible for formula support. The funds which might otherwise flow to these programs should, in a period of consolidation, be used to bolster areas of existing strength.

As evidenced by the fourth objective, Council's concern about limited resources also extends to new programs. At a time when total graduate enrolment in Ontario is expected to decrease, Council can see little rationale for the establishment of new duplicate graduate programs which would dilute student demand for existing pro-

grams. In addition, there is much to suggest that duplication among existing programs should be reduced. Indeed, it is reasonable to expect that some existing duplication will be eliminated during the first quinquennium. Council expects that elimination of duplication among existing programs may become an explicitly stated objective for the second quinquennial period.

The fifth objective gives recognition to the continuing evolution of knowledge and the need to ensure that new programs will be mounted as new fields emerge. To accord full respect to the public interest, Council would stipulate that additional programs not be publicly financed unless they are of high quality and unless it can be

demonstrated that they are needed.

The sixth and final objective which Council enunciates for the first graduate planning quinquennium acknowledges the need to protect research and scholarship in the university system. The higher weights accorded to graduate enrolment under the operating grants formula are in recognition of the costs not only of instruction but also of research and scholarship associated with graduate programs. Council believes that the research and scholarship capabilities of the Ontario university system must be protected in the event of a temporary or even longer term reduction in student demand for graduate instruction.

Agencies for Planning

In previous memoranda<sup>(1)</sup> Council has described in detail the evolution of graduate planning in Ontario. In the space of a decade the university system has developed processes for program quality appraisal and system-wide disciplinary planning at the graduate level. The impact of these on internal university decision-making has

been of growing significance.

In the course of the review which preceded this Memorandum, Council pondered the question of whether graduate planning in Ontario could be strengthened through greater centralization or a change in planning authority. To this end the methods and structures used for graduate planning in other jurisdictions were reviewed in some detail for features which might be applicable to the Ontario situation. It was found that the structure of the Ontario university system and its strong tradition of institutional autonomy distinguished it from the other jurisdictions in which significant steps had been taken towards strongly centralized graduate planning, although generally speaking the processes used for program and discipline review were surprisingly similar. Autonomy, however, had led Ontario's universities into voluntary collective planning, whereas elsewhere, administration of the planning activities was often a responsibility of a branch or agency of the legislature concerned.

Council's conclusions were that the value of institutional autonomy in Ontario outweighs the benefits, if any, that might be ascribed to a strengthening of central planning through structural change. The major role in graduate planning in Ontario must remain grounded in the universities, individually and collectively. For its part Council will enunciate general quinquennial objectives, monitor the extent to which these are being achieved, and recommend funding policies and mechanisms that

are appropriate to the objectives.

The Planning Processes

In that the original purposes of collective graduate planning in Ontario were to promote inter-university awareness and cooperation, to ensure high quality standards and to direct the orderly development of the graduate enterprise, there is much to suggest that the discipline assessment and program appraisal processes have been useful. The Ontario Council on Graduate Studies' 1977 monitoring report<sup>(2)</sup> shows

<sup>(1)</sup> Advisory Memorandum 75-IV, June 21, 1975 Advisory Memorandum 76-IV, October 2, 1976

some preliminary indications of movement towards program rationalization related to quality and need. This report also states that:

"there are clear indications that the mere existence of the appraisal process has led to a strengthening of the institutional procedures for approval of new programs; numerous proposals have been delayed and strengthened before submission, others have been set aside indefinitely. Too, each decision to proceed with a planning assessment has caused the institutions to re-examine their objectives in the discipline and to define more explicitly the scope of their programs".

These preliminary indications are reassuring to Council as are recent changes in the procedures for discipline assessment and program appraisal. The increased emphasis that will be placed on quality appraisal as the basis for collective planning should be particularly useful during the first quinquennium in achieving Council's objectives for the graduate sector. Council fully realizes the impractibility of attempting to complete planning assessments in all disciplines by 1983-84, given the tremendous volume of work that would be involved. This adds to the importance of a selective and vigorous pursuit of discipline assessments by the university collectivity.

Council will continue to request annual reports on developments in the graduate sector from COU. Because, eventually, these will be used to monitor achievement of quinquennial objectives and to assist in the review of proposals for funding new graduate programs, Council will wish to discuss the format and content of future

reports with COU and Ministry officials in the coming months.

While Council's comments on graduate planning necessarily focus on system-wide activities, it remains nonetheless convinced that graduate planning at the institutional level is of equal importance. Over the years there has been much discussion of institutional role differentiation and rationalization. The new era of straitened resources and declining graduate enrolments and the accompanying need for system-wide consolidation should encourage institutions to identify and give priority to the areas of graduate endeavour in which strength exists and which are key to the planned institutional identity.

The success of the graduate planning enterprise during the first quinquennium will be primarily dependent upon the pursuit of excellence by institutions in their areas of strength, and, of system rationalization by the university collectivity on the

basis of quality and need.

## **Funding Graduate Programs**

The three-year period of formula suspension for graduate studies ends with the funding year 1978-79. In Advisory Memorandum 75-V Council set forth the following reasons for this short-term funding arrangement which completely desensitized operating grants to changes in graduate enrolment levels: to allow time for studying alternatives to formula arrangements that associate both teaching and research costs with numbers of graduate students; to ensure that the development of new graduate programs not take place at the expense of the financial viability of the system as a whole; to neutralize the steering effects towards program proliferation embodied in the earlier formula; and, to free institutional and system-wide graduate

<sup>(2)</sup> Report to the Ministry of Colleges and Universities on the Combined Impact of the Planning and Appraisal Processes on Graduate Studies in Ontario Universities and the Implementation of Recommendations in Plans and Perspectives for Graduate Studies, Volumes 1 to 19. (October, 1977)

planners from short-run revenue considerations.

The period of formula suspension has been providing Council and the universities with the time to explore alternative graduate funding arrangements. The extent to which the other purposes have been achieved will be known only in the years to come. Many universities have repeatedly impressed upon Council the need to know what funding mechanism would come into effect at the end of the period of formula suspension in order for them to proceed with planning for the first quinquennium. For this reason Council now addresses two facets of the graduate support question: (I) Criteria for Funding New Graduate Programs, and (II) Proposed Funding Mechanisms for the First Quinquennium. With regard to the latter, Council explores its current thinking and does not put forward firm recommendations at this time. The universities have indicated that another round of talks concerning graduate funding mechanisms would be desirable and Council proposes to comply with this request during the Spring, 1978 hearings.

(I) Criteria for Funding New Graduate Programs during the First Quinquennium

Prior to the period of formula suspension, the key criteria for new graduate program funding approval were that the program be in an unembargoed discipline, that it have received a successful quality appraisal and that it be in accordance with the institutional three- or five-year plan. Formula suspension carried with it a moratorium on new graduate program funding, but did not restrict the development of new programs. Indeed there are currently a number of active graduate programs which have not been recognized for formula support. Even more are planned for implementation by the beginning of the first quinquennium.

Two of the six quinquennial objectives specifically concern new graduate programs: "prevention of further duplication of graduate programs", and "development of high quality graduate programs in new fields of study for which there is a genuine need". In light of these objectives the criteria which formerly governed new graduate program funding approval are no longer adequate insofar as they fail to address the issues of

duplication and need.

In its search for new criteria Council has been abundantly aware that constrained global funding and declining graduate enrolment will mean that the addition of new graduate programs will not likely generate additional funding for the system. Regardless of the allocative mechanism used, the funding of new graduate programs will, to varying degrees, occur at the expense of existing programs.

With these considerations in mind Council has developed the following criteria for screening new graduate programs in the funding approval process during the first

quinquennium:

1. Evidence of need in Ontario and Canada to be provided by the Advisory Committee on Academic Planning and endorsed by the Council of Ontario Universities;

2. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that no similar program in the field(s) proposed is available in Ontario. (In exceptional circumstances Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario but where there is also strong evidence of regional importance and student demand);

3. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements;

4. Certification from the institution that admissions to the program commenced

prior to its being proposed for funding consideration.

Council has intentionally omitted a specific definition of the grounds for substantiating "need" under the first criterion. Its own experience in this area, outlined

in Advisory Memorandum 77-V, suggests that demonstrating need cannot be solely a statistical exercise. However, Council would in any case expect to see evidence of student demand (such as numbers of students admitted and applying to a program, numbers of students leaving Ontario for similar programs in other jurisdictions, and enrolment patterns of similar programs in other jurisdictions) and external demand (such as manpower forecasts, and availability of employment opportunities).

The second criterion is designed to prevent further duplication of graduate programs. Examination for duplication should occur at the "field(s) within a program" level in order to avoid a situation where only the field configuration of a new program sets it apart from existing programs. At the same time Council recognizes the importance of retaining some flexibility to allow university responsiveness to regional needs or regional potential that leads to institutional differentiation. Council does, however, believe that exceptions to the duplication criterion during the first quinquennium should be few, if any, and must be limited to new programs at the master's level.

The third criterion re-emphasizes the importance Council attaches to ensuring that only programs of proven quality should be recognized for public funding.

The final criterion requires that an institution begin admitting students to a new program before the program is put forward for funding approval. This reaffirmation of institutional autonomy is designed to demonstrate institutional commitment to, and student interest in, any new graduate program before it may become eligible for public support.

A new program's ability to meet the four funding criteria will not necessarily guarantee a positive funding recommendation on the part of Council. Since June, 1975, Council has repeatedly indicated that funding approval for new graduate programs would no longer be an automatic matter and that Council's own task in the funding approval process would include the "balancing of fiscal realities and new initiatives". For example, it is conceivable that in a given year funding available to the graduate sector might be inadequate to support all new program proposals without harming programs already eligible for funding. Council's response to a situation of this type might well involve postponing recommendations for funding some or all new programs.

In line with this reasoning Council now stipulates that if a new graduate program meets the criteria described above it will be guaranteed only consideration by Council and a funding recommendation will not follow automatically. In future Council will review all proposals for new program funding in the context of reports on developments in the graduate sector and will submit its advice on only one date each

The funding criteria set out in this Memorandum are intended to replace the rules used in the past for new graduate program funding approval, including the former practice of placing disciplines under funding embargo pending completion of planning assessments. Accordingly, Council recommends to the Minister:

OCUA 77-24 FUNDING CRITERIA FOR NEW GRADUATE PROGRAMS IN THE FIRST QUINQUENNIUM, 1979-80 THROUGH 1983-84

THAT, in line with the considerations set out in this Memorandum, graduate programs be considered for funding approval on the advice of Council, such advice to be based upon the following criteria:

 Evidence of need in Ontario and Canada to be provided by the Advisory Committee on Academic Planning and endorsed by the Council of Ontario

Universities,

- 2. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that no similar program in the field(s) proposed is available in Ontario. (In exceptional circumstances Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario but where there is also strong evidence of regional importance and student demand),
- 3. Certification from the Advisory Committee on Academic Planning, through the Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements,
- 4. Certification from the institution that admissions to the program commenced prior to its being proposed for funding consideration.

As far as can be ascertained at present there are over 20 doctoral and more than 40 master's programs in Ontario universities which either have been implemented without additional Provincial funding or in which students will begin to enrol before or during the first quinquennium. Council believes that in a number of cases it would be unfair to apply the new funding criteria to programs which were developed and implemented under a completely different set of rules. On the other hand, Council has been warning the system since June, 1975 of impending changes in the funding approval process.

Council's solution to this conundrum involves sorting the graduate programs not currently recognized for formula support into three categories for funding consideration.

The first category includes any program for which the former requirements for funding approval were completed before suspension of the graduate formula and for which funding was not received during the period of formula suspension. Programs falling into this category will be exempted from the new funding criteria, provided that they have received favourable quality appraisals during the past five years. Those which have not been appraised during the period March 1, 1973 to March 1, 1978 will require reappraisal before they will be considered for funding approval.

The second category includes programs which were at various stages in the funding approval process when the formula was suspended and for which the earlier requirements for funding approval were subsequently completed. Council will request that the Council of Ontario Universities review all programs which fall into this category in light of the objectives for the first quinquennium and the new funding criteria before forwarding them for funding consideration.

As for the third and residual category, any other new program will not be considered by Council until the new funding criteria have been met.

Council believes that this approach is fair and equitable, minimizes the consequences of retroactivity and at the same time will bring the new funding criteria into effect at the beginning of the quinquennium for which they have been designed.

(II) Proposed Funding Mechanisms for the First Quinquennium

In its search for an appropriate mechanism to allocate graduate funding during the first quinquennium, Council began by identifying the conditions which a new mechanism would be required to meet. All methods of allocating funds have direct and indirect steering effects for the recipients. Each would also embody implications for graduate support levels if Council continues to promote symmetry between its funding level and allocative advice. Having reached a set of objectives for the first quinquennium, Council felt that the steering effects of the chosen allocative mechanism should reinforce those objectives. In addition, Council sought a method that would

provide (1) funding stability by preventing extreme fluctuations in institutional income, (2) funding predictability to assist institutions in their planning efforts, (3) equitable allocations among institutions, (4) accountability to the public by linking funds to some quantifiable factor, and finally a method that would be (5) simple to use, understandable and practical to implement. The final factor reflects Council's belief that whatever funding mechanism is chosen for the first quinquennium should be capable of full implementation in the first year of the quinquennial period.

Council considered whether all aspects of graduate work should continue to be funded jointly or whether separate funds and allocative mechanisms should be developed along functional lines for instruction, research, scholarship and service. The allocative mechanisms studies by Council ranged from fixed institutional grants to formulae totally sensitive to a variety of factors taken singly and in combination including enrolment, numbers of faculty, value of sponsored research grants and

program quality appraisal ratings.

Without detailing the mechanisms and Council's findings with respect to each, suffice it to say that very few mechanisms went very far toward satisfying the majority of conditions listed above. Council has concluded that any method of funding which distinguished among functions at the graduate level would necessitate, at the outset, the identification of costs related to each. This would be, at best, an arbitrary, and possibly unrealistic, exercise. To be effective, this approach would require ongoing functional cost accounting, which would be a difficult task for universities and would place an additional burden on already constrained operating funds. There is also a general distrust in many quarters for this type of approach in that it is seen as a threat to university autonomy.

The approach which Council favours respects the Ontario tradition of funding in-

struction, scholarship, research and service jointly.

For master's and graduate diploma programs, Council feels that the formula currently in use for the funding of undergraduate programs should be employed beginning with the funding year 1979-80. Enrolment in master's and graduate diploma programs would be weighted according to the schedule in use before the period of formula suspension. Under this approach enrolment changes between a fixed base and a moving three-year average would be discounted at a rate of 50% for 1979-80 as has been suggested for undergraduate enrolment changes. Thus Council currently expects that it will recommend to the Minister:

Distribution Mechanism for Master's and Graduate Diploma Program Formula Grants during the First Quinquennium

Beginning in 1979-80, formula grants for master's and graduate diploma programs be distributed to each institution in relation to the number of master's and graduate diploma BIU's in a funding base, plus, 50% of the difference between the number of BIU's in a moving three-year average and the number of BIU's in the funding base.

For doctoral programs Council believes that a slightly different approach would be more appropriate. As mentioned earlier in this Memorandum, the higher weights accorded to graduate enrolment under the Operating Grants Formula have been deemed to reflect provincial support for the costs of the research and scholarship components of these programs. At a formula weight of 6, doctoral programs may be considered to have been generating the greatest support for research and scholarship before formula suspension. For allocating funds to doctoral programs Council favours a mechanism which continues to weight doctoral enrolment at 6, and employs a fixed base enrolment and a three-year moving average enrolment. Where this allocative method differs from those currently used for undergraduate and proposed

for master's programs is in the discount/stability factor that will be applied to changes in enrolment. Council believes that a factor of 2/3 should be used at the doctoral level. In other words, 1/3 of the difference between the fixed base BIU's and the moving three-year average BIU's will be added to the base BIU's to determine an institution's total doctoral BIU's. This mechanism provides a high level of stability designed, in part, to protect funding for research and scholarship. In the extreme case, institutional BIU's in any doctoral program may not fall below 2/3 of the BIU's in the fixed base.

Council currently expects to recommend to the Minister that:

Distribution Mechanism for Doctoral Program Formula Grants during the First Quinquennium

Beginning in 1979-80, formula grants for doctoral programs be distributed to each institution in relation to the number of doctoral BIU's in a funding base, plus, one-third of the difference between the number of BIU's in a moving three-year average and the number of BIU's in the funding base.

Council has not yet been albe to determine which year or years might be used in the calculation of base and moving average graduate BIU's for funding year 1979-80 primarily because information on currently unfunded programs is not complete. As mentioned earlier, the upcoming Spring hearings will allow the university community another opportunity to discuss funding mechanisms for the first quinquennium. For its part Council intends to submit final advice on these matters to the Minister in the Fall of 1978.

W.C. Winegard, Chairman

February 10, 1978

OCUA Public Meetings, 1977-78



# OCUA Public Meetings, 1977-78

Date	Institution or Organization and (Place of Meeting)
April 15, 1977	Ontario Institute for Studies in Education, (Ontario Institute for Studies in Education, Toronto)
April 15, 1977	Ryerson Polytechnical Institute, (Ontario Institute for Studies in Education, Toronto)
April 15, 1977	York University, (Ontario Institute for Studies in Education, Toronto)
April 16, 1977	University of Toronto, (Ontario Institute for Studies in Education, Toronto)
April 22, 1977	Brock University, (Brock University Campus, St. Catharines)
April 22, 1977	McMaster University, (Brock University Campus, St. Catharines)
April 22, 1977	University of Guelph, (Brock University Campus, St. Catharines)
April 23, 1977	Ontario College of Art, (Brock University Campus, St. Catharines)
May 6, 1977	Carleton University, (Carleton University Campus, Ottawa)
May 6, 1977	Queen's University, (Carleton University Campus, Ottawa)
May 6, 1977	University of Ottawa, (Carleton University Campus, Ottawa)
May 7, 1977	Trent University, (Carelton University Campus, Ottawa)
May 13, 1977	Ontario Federation of Students, (Ontario Institute for Studies in Education, Toronto)
May 13, 1977	Confederation of Ontario University Staff Associations, (Ontario Institute for Studies in Education, Toronto)
May 14, 1977	Council of Ontario Universities, (Ontario Institute for Studies in Education, Toronto)
June 3, 1977	Wilfrid Laurier University, (University of Western Ontario Campus, London)
June 3, 1977	University of Waterloo, (University of Western Ontario Campus, London)
June 3, 1977	University of Western Ontario, (University of Western Ontario Campus, London)
June 4, 1977	University of Windsor, (University of Western Ontario Campus, London)
June 10, 1977	Laurentian University, (Laurentian University Campus, Sudbury)
June 10, 1977	Algoma College, (Laurentian University Campus, Sudbury)
June 10, 1977	Nipissing College, (Laurentian University Campus, Sudbury)
June 10, 1977	Hearst College, (Laurentian University Campus, Sudbury)
June 11, 1977	Lakehead University, (Bristol Place Hotel, Toronto)
June 24, 1977	Ontario Federation of University Faculty Associations, (Bristol Place Hotel, Toronto)
June 24, 1977	Representatives of Council of Ontario Universities and Ontario Council on Graduate Studies, (Bristol Place Hotel, Toronto)



OCUA Recommendations and Government Responses, 1977-78



# OCUA Recommendations and Government Responses, 1977-78

Recomme Number	endations Title	Response
	(Advisory Memorandum 77-I)	
77-1 (76-2) (75-3)	Ontario Graduate Scholarship Program Eligibility	Not accepted
77-2	Foreign Visa Student Eligibility	Partially accepted
77-3	Ontario Graduate Scholarship Stipends, 1978-79	Not accepted
77-4	Institutional Awards to Universities Without Doctoral Programs	Accepted
77-5	Ontario Graduate Scholarships to Persons on Student Visas	Partially accepted
77-6	Number of Ontario Graduate Scholarship Awards in 1978-79	Partially accepted
	(Advisory Memorandum 77-II)	
77-7	Provincial Discipline Committees	Accepted for further discussion
77-8	Provincial Interface Planning Committee	Not accepted
77-9	Eligibility of Preliminary Year Programs for Support Under the Operating Grants Formula	Accepted for further discussion
77-10	Eligibility of Brock Grade XII Entrant Program for Support Under the Operating Grants Formula	Accepted for further discussion
	(Advisory Memorandum 77-III)	
77-11	Funding Level for 1978-79 to Meet the Cost of Basic Objectives in Funding the Operation of Provincially-Assisted Universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art	Not accepted
77-12	Additional Funding for 1978-79 for the Existing Bilingualism Programs and the Bar Admission Course	Accepted
77-13	Level of Support for Major Renovations, Alterations and Replacement Projects in 1978-79	Not accepted
	(Advisory Memorandum 77-IV)	
77-14	Measure of Comparative Space Needs	Accepted
77-15	Collection of Capital Information	Accepted
77-16	Criteria for Capital Assistance Eligibility for Long-Term Rentals	Accepted
77-17	Criteria for Capital Assistance Eligibility for Short-Term Rentals	Accepted
	(Advisory Memorandum 77-V)	
77-18	Funding for the Mining Engineering and the Mineral Processing Engineering Programs at Laurentian University	Accepted
	(Advisory Memorandum 77-VI)	
77-19	Northern Ontario Grants 1978-79	Accepted
77-20	Bilingualism Grants 1978-79	Accepted
77-21	Supplementary Grants 1978-79	Accepted
77-22	Grant to the Law Society of Upper Canada on Behalf of the Bar Admission Course 1978-79	Accepted
77-23	GFU and BIU Values for 1978-79	Accepted
	(Advisory Memorandum 77-VII)	
77-24	Funding Criteria for New Graduate Programs in the First Quinquennium, 1979-80 through 1983-84	Accepted









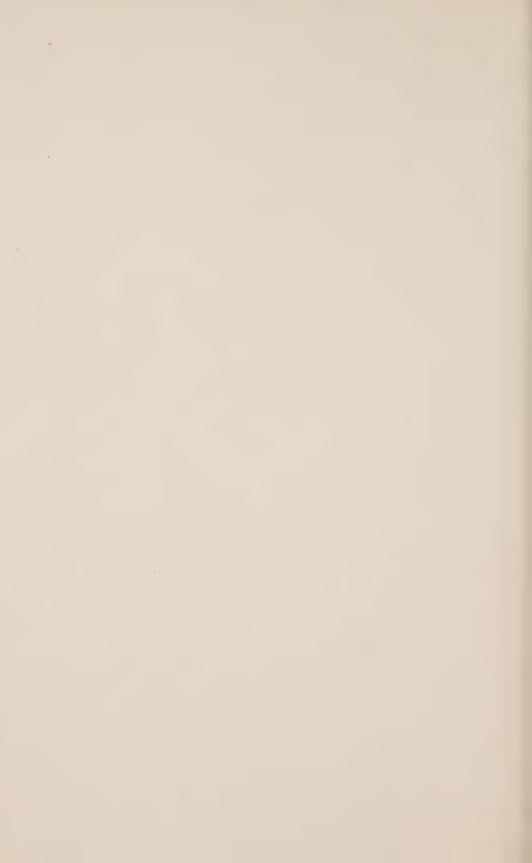


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1978-79

Ontario Council on University Affairs

Fifth Annual Report



# Ontario Council on University Affairs

Fifth
Annual
Report
March 1, 1978
to
February 28, 1979

700 Bay Street, Seventh Floor, Toronto, Ontario M5H 2T8 Telephone: (416) 965-5233

March, 1979



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### Letter of Transmittal



Ontario Council on University Affairs 416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

February 28, 1979

The Honourable Bette Stephenson, M.D., Minister of Education, 22nd Floor, Mowat Block, Queen's Park, Toronto, Ontario

Dear Dr. Stephenson:

I respectfully submit herewith the Fifth Annual Report of the Ontario Council on University Affairs. This Report covers the period from March 1, 1978 through February 28, 1979.

Yours sincerely,

W. C. Winegard
Chairman

## Members and Officers of the Ontario Council on University Affairs 1978-79

Rt. Rev. Walter E. Bagnall (1979)

Hamilton

Norma V. Bowen (1981)

Guelph

Mary Butler Bush (1979)

Ottawa

Antoine D'Iorio (1980)

Ottawa

J. Stefan Dupré (1980)

Toronto

James D. Fisher (1980)

Toronto

Reva Gerstein (1979)

Toronto

Lin Good (1980) Kingston

T. Rosaire Léger (1981)

Cornwall

G. Milton Mackenzie (from December 1978) Toronto

Alexander L. McCallion (1980)

Hamilton

Allan K. McDougall (1981)

London

Jean Millar (1979) Sioux Lookout

J. Fraser Mustard (1981)

Hamilton

Margaret F. Orange (1981)

Sudbury

R. Peter Riggin (1981)

Toronto

Ronald S. Ritchie (1979)

Toronto

Nora Sanders (1980)

Kingston

H. Harold Walker (1979)

Toronto

William C. Winegard (1981) Chairman

Georgetown

John R. Yarnell (to July 1978)

Toronto

Sam Hoffer (from May 1978) Senior Research Officer

Ronald N. McDougall Senior Research Officer

Eleanor M. Harrison (from April 1978)

Research Officer

Richard S. Zulik (to April 1978)

Research Officer

Nancy E. Simmons (to September 1978)

Associate Secretary

Members' terms expire on February 28 of the year indicated in parentheses





## Introduction

The Fifth Annual Report of the Ontario Council on University Affairs covers the period March 1, 1978 to February 28, 1979 and contains the full text of all Advisory Memoranda issued in the year. In addition, the present report contains the text of the major paper released by Council in September 1978 "The Ontario University System: A Statement of Issues."

The September paper was a direct response to the comments made to Council by the universities in the Spring of 1978 and although the paper contains no policy recommendations it does raise serious problems that must be addressed over the next few months. The Spring 1979 hearings with the universities and the provincial organizations such as the Council of Ontario Universities (COU), the Ontario Confederation of University Faculty Associations (OCUFA), the Confederation of Ontario University Staff Associations (COUSA), and the Ontario Federation of Students (OFS), will be devoted almost in their entirety to the subjects raised in the paper. In many ways, the paper replaces, at least for this year, the usual introductory section of the Annual Report in which Council addresses specific issues of concern to the university system.

Council is aware that several fundamental concerns mentioned but not discussed at length in the paper will require further elaboration and exp!oration. For example, why is enrolment dropping in the universities when the number of potential students is still increasing? Why do Arts and Science programs no longer appear as attractive to students as in the past? Will there be a fundamental change in the character of the universities if the student preference for vocational, technological and professional programs continues for an extended period? These and other questions will become the focus of an ongoing debate. The paper issued by Council in September 1978 is only a starting point and Council expects that the Spring 1979 hearings will be both informative and productive.



# The Ontario University System: A Statement of Issues



As outlined in the Introduction of Council's *Fourth Annual Report*<sup>1</sup>, the universities of Ontario have just passed through a truly remarkable period of growth. The contrast between the post-secondary educational system that existed in 1952 and the one that had evolved by 1972 (and still exists today) was described as follows in the first chapter of the Report of the Commission on Post-Secondary Education in Ontario<sup>2</sup>:

"During the past two decades, post-secondary education in Ontario has experienced a sweeping transformation. Prior to and immediately after World War II, education beyond high school occupied a modest and respected corner of Ontario's social landscape. It was concentrated mainly in a handful of provincially supported universities, legatees of a proud and substantial, if somewhat narrow, Canadian tradition of scholarship, teaching, and community service. It directly affected only a small segment of the population and cost relatively little public money. The contrast today could scarcely be more striking. The present system of post-secondary education is massive, complex, and diverse. It involves a sizable proportion of Ontario's youth studying in a broad spectrum of institutions with a myriad of functions. It plays a commanding role in society and consumes a substantial part of public expenditures. It is hardly surprising that an activity which earlier attracted slight public attention has, in the last decade and a half, become the object of great public interest, legitimate public scrutiny, and anxious public commentary."

University enrolment tripled in the 1960's and accessibility to higher education became a major government objective. The universities were asked to provide places for all qualified applicants and they did so. Consequently the university was no longer a place for the privileged few. Perhaps equally as important as the increase in full-time enrolment has been the increase in part-time studies. Encouraged in the first instance by the desires of "mature" students, the universities have responded with increasing zeal to the call for education throughout life which was a central theme of the report by COPSE.

Along with the increased educational opportunity offered at the undergraduate level, the growth of the universities provided Canadians, for the first time in many subject areas, with opportunities to study at the graduate level in Canada. By the beginning of the 1970's, Canadian graduate programs were available in most dis-

ciplines and some of these ranked with the best in the world.

The funding provided by both the provincial and federal governments for the increased emphasis on graduate work had both quantitative and qualitative effects on university research. The relatively low level of research that characterized our universities 25 years ago blossomed to the point where, in the early 1970's, research became an essential element in the role of the Canadian university.

In summary, a remarkable transformation has occurred in 25 years, a transformation that was possible because of enrolment growth that took place with

public support and enthusiasm.

Times are changing, however, and the number of full-time undergraduate students in attendance at university has fallen since 1976–77 and, given longer run demographic forces, may continue to fall until at least 1995–96. As Council pointed out in the Introduction to its *Fourth Annual Report*, a drop of about 25% from the

<sup>1</sup> Ontario Council on University Affairs Fourth Annual Report March 1, 1977 to February 28, 1978 (Toronto: Ministry of Colleges and Universities, 1978)

<sup>2</sup> The Learning Society, Report of the Commission on Post-Secondary Education in Ontario (Toronto: Ministry of Government Services, 1972)

current enrolment level should not be unexpected. A decline in the order of 25% in the next 20 years is substantial but it must be viewed in the perspective of the extraordinary increase which occurred during the past 20 years. Enrolment levels in 1996 may well only return to the level experienced in 1972.

It has been suggested to Council that part-time enrolment could increase to compensate for the decline in full-time students. Even if part-time enrolment increases, Council notes that the growth would have to be very large to produce this effect.

Why are the universities so concerned about declining enrolment? One reason, of course, is that when enrolment drops there will be less need for the faculty and staff who are currently employed. To view this reason as the sole concern of the universities would be to take an unjustifiably cynical view of the situation. Many people in the universities realize that declining enrolment means that fewer teaching positions will be necessary. What they do not wish to see, however, is the destruction of the gains made during the past several years in other areas of endeavour such as graduate studies, research and community service. The citizens of Ontario will be the long term losers if our universities cease to be capable of maintaining good quality graduate programs, are no longer capable of providing the research strength so vital to Canada, and cannot provide the services to the community which have come to be expected.

The decline in enrolment in itself would present a challenge to the universities because for so many years they have concentrated on accommodating enrolment growth. As well, there is no guestion that a decline in enrolment must necessitate some loss in income to the universities. Furthermore, this coincides with the stated desire of the Government of Ontario to balance its budget through expenditure restraint. The two events taken together pose serious problems for the universities

and for Ontario.

During its 1978 hearings with the universities. Council heard much discussion of the future and, indeed, precipitated some of it. Council was asked by the universities and the provincial organizations (the Council of Ontario Universities, the Ontario Confederation of University Faculty Associations, the Confederation of Ontario University Staff Associations, and the Ontario Federation of Students) to define the problems, to give some guidance as to the consequences of various funding levels and to suggest any structural changes that appeared necessary in order to preserve the best aspects of the system.

In this paper, Council has tried to fulfill these requests by outlining some of the problems and exploring options through which short-term and long-term difficulties might be addressed. There are no easy answers. Nevertheless, solutions must be

found to ensure a dynamic university system.

During the spring of 1979, Council will meet with the university community to review the matters raised in this paper which forms part of the Introduction to its Fifth Annual Report.

# Part I: The Goals for the Universities

There is little doubt that the universities feel threatened because of declining enrolment and restricted funding. Individually and collectively they have stated that they will be unable to accomplish their task unless the 1978–79 percentage increase in their provincially-controlled revenues is raised in years to come. Obviously, restricted funding over any extended period will have consequences for the universities. For example, as demonstrated in Part II of this paper, the number of academic and non-academic employees may have to be reduced. The loss of several hundred faculty and staff positions may, or may not, be harmful to the quality of education. The effects of funding levels must be viewed in the context of whether or not the universities can satisfactorily carry out their functions and maintain quality. This reasoning leads Council to enunciate what it believes are the implicit goals for the university system in Ontario. Council deliberately uses the word "system" in this context because different universities may fulfill different roles to accomplish the total task of the university sector.

In setting forth the goals, Council is cognizant that some general purposes of the universities must be taken for granted. It is true that the university has traditionally been distinguished by its quest for an understanding of man and his place in the world. It is true also that the university provides a setting in which ideas of all sorts are freely and continuously scrutinized and evaluated. As well, universities certainly enhance society's ability to undertake critical self-evaluation. However, what Council terms the "instrumental" goals for the universities of Ontario are more specific and, thus, they are the ones that can be most profitably addressed in this paper.

With the above in mind, Council identifies the specific goals for the iniversities as follows:

#### 1. To develop a more educated populace.

This goal is realized primarily through the provision of widely-accessible undergraduate programs in Arts and Science. The three-year programs are designed to provide a general education with more emphasis on breadth than depth although a concentration in a particular subject is often required. The function of these programs is to promote the growth of knowledge, understanding and judgment in the individual student and so increase awareness, perception and elightenment in society at large. The programs are not designed to lead to specific jobs or professions nor should they be. The graduates of these programs should, above all, be capable of the independent thought and analysis required by a complex economy and a free society.

The four-year programs, sometimes called "honours programs", are more specialized in nature and provide the necessary subject background for specialists including future teachers. In fact, the popularity of the honours program has been closely related to the requirements of secondary school teachers and a large percentage of Arts and Science graduates has traditionally entered the teaching profession.

#### 2. To educate and train people for the professions.

The education of people for the professions has been a function of the university for centuries in such subjects as law, theology, and medicine. In recent times the number of professions has increased as has the call upon the universities for the necessary training. The growth in the number of professional schools has been large. As well, schools that have existed for a long time have grown significantly. Students and the public have demanded that professional opportunities be made available to thousands of young people and the universities have responded accordingly. Although the education of people for the professions need not be part of the offerings of every university in Ontario, no doubt should exist about the desire

of the public to have the university system respond to real needs in professional fields.

3. To provide for study at the highest intellectual level.

Despite the criticism in the recent past that the number of graduate students in Ontario may have been too high and the current concern about the number of graduate programs, no question exists now as to the desirability of graduate offerings. Twenty years ago the number of first-class graduate programs in Ontario and Canada was inadequate and student demand for training at the graduate level was limited. The ramifications of that situation are still being felt. For example, when undergraduate enrolment increased rapidly there were few Canadians qualified to teach in the universities. Because our universities were not extensively involved in graduate work, there was no option but to seek help from the outside, primarily from the United States and Great Britain.

Although they were late in coming to Ontario, graduate programs now exist which are of international calibre. These programs are the training grounds for the highly qualified individuals, in a variety of private and public sector careers, who are so

vital to Canada's future.

4. To conduct basic and applied research including development and evaluation.

Research has always been an important function of a university, and generally speaking university research endeavours fall into four categories: basic, applied,

developmental and evaluative.

Canada lags far behind most developed nations in terms of expenditure on research. For example, Holland and Germany spend 2.3% and the USA 2.5% of Gross Domestic Product on research of all kinds while Canada spends 0.9%. With respect to the universities, they are the main suppliers of basic research for the nation and in a very direct way the economic health of Canada depends upon the maintenance of substantial research capacity in the universities. A recent report from the National Science Board of the United States, for example, indicates that in that country basic research is the most frequently cited origin of patented technological advances. During the 1960's, the growth of research capacity in Ontario's universities was substantial. Unfortunately, during the past few years, funding from the federal granting agencies for basic research has been effectively decreased because increases have failed to offset inflation.

In the area of applied research, development and evaluation the university is only a part, albeit an important one, of the network that must exist in industrialized countries. Government and industry have the major roles to play but increasingly the university is becoming an important partner. The universities have the capacity to evaluate suggestions from industry and often the university can be a logical place to conduct development, particularly for firms that are too small to have research establishments of their own. The research role of the university has become increasingly important and the universities are seen as a significant sector in Canada's planned new research and development thrust.

For illustrative purposes the research role has been described in terms of scientific research. However, it is important to remember that scholarship and research in the Humanities and Social Sciences are of equal, if less readily apparent, importance to society. Unless the universities retain their capability to train research-

ers in all fields, the research goal will not be achieved.

#### 5. To provide service to the community.

While the goal of providing public service has always been important, it is only relatively recently that university involvement in service activities has increased to

the current degree. In the sphere of government, universities provide service at the municipal, provincial and national levels through consultative and commissioned activities. In addition, the universities have extended help to the international community by providing places for students from developing countries and by undertaking major projects to develop the educational facilities in those same countries. Not least of all, as described above, the universities undertake research for the private sector and provide consultation services almost on a daily basis.

Universities also loom large in their local communities. In addition to providing service in the conventional sense, the communities in which the universities are situated have expectations of them which relate to the enrichment of community life. It is well to remember that a university is frequently the provider of facilities, such as reference libraries, that otherwise would not be available. Universities bring a broad range, and are often the chief focus, of cultural activities in their com-

munities, and often rank among the major employers in a region.

With all of the above goals in mind, Council proceeds now to look at the financial problems that may be encountered by the universities in the next few years.



# Part II: Funding

#### **Financial Forecasts**

Since 1970–71, the Ontario university system has found itself under increasing financial stringency. Increases in government operating grants which form the major source of revenue for the university system have lagged behind the combined increases in inflation and enrolment. Tuition fee rates have only been allowed by Government to rise \$200 since 1970–71, and in fact increased only marginally during the sixties. Therefore, any increases in tuition fee revenue, which forms about 15% of total operating revenue, have been attributable primarily to an increased enrolment level. In the Introduction to its *Fourth Annual Report* Council indicated that all additional students taken into the universities since 1970–71 have been accommodated at approximately 50% of government-controlled income per student for the base year.

Pressures on university finances have been compounded by increases in federal research funds which did not match inflation and the substantial cut-back in provincial capital support. In addition to their effect on the level of university research activity, the constraints on research funds from federal agencies have deprived universities of a major source of funds for equipment purchases. The near-moratorium on provincial capital funding introduced in 1972 has severely restricted the universities' ability to make renovations and alterations to existing space, as well as

to make furniture and equipment purchases.

Universities have responded to the financial constraint both by keeping overall expenditure increases down, and by making cuts in specific areas. Expenditures on non-salary items have received the greatest curtailment. These expenditures, which formed 24.1% of total operating expenditures in 1970–71, had been reduced to 19.9% by 1976–77. Particularly hard hit have been purchases of books and periodicals and technical and scientific equipment. Although conservation programs have greatly reduced energy use, this has been more than offset by increases in energy rates.

In order to permit reasonable salary settlements and to accommodate increased expenditures on fringe benefits, universities have responded by leaving unfilled some faculty and staff positions that became vacant through attrition, by increasing use of faculty term appointments, and by reductions in the number of non-academic staff, particularly in areas such as physical plant. Many universities have considered plans such as early retirement options as a way of obtaining operating flexibility and further salary savings, although little saving from such programs has been

realized to date.

Universities have acted in a fiscally responsible way during the 1970's, by avoiding large operating deficits. Those institutions that have experienced deficits in a particular year have been able to move toward balanced budgets in subsequent years. For the most part, it has been possible to finance deficits by cash flow or by using accumulated surpluses. For 1977–78, the system experienced a virtual breakeven position, with a slight surplus of approximately \$3 million. Accumulated surpluses including those appropriated for particular operating purposes total about 3.5% of the annual university operating revenues.

#### Financial Outlook to 1981-82

The Government's announced policy of balancing the provincial budget by 1980–811 has set the tone for grant expectations for all publicly funded bodies for the next three or four years. The Treasurer of Ontario has predicted that increases in "controllable" government expenditure must be kept to 5.8% if the budget is to be balanced. The increase that universities receive will to a great extent depend on

<sup>1</sup> See "Towards a Balanced Budget", Budget Paper C, Ontario Budget 1977.

whether post-secondary education maintains the same priority within government

expenditures.

Council has developed a number of models which provide a framework within which university operating revenues to 1981–82 and their implications can be considered. The institutions included in the analysis are the fifteen provincially-assisted universities, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art. It should be made clear that these models exclude endowment and sponsored research funds. The basis upon which each of the models is constructed is as follows:

Model 1 – Provincial grants to universities until 1981–82 form the same percentage of provincial government expenditures (excluding interest on the public debt) as in 1978–79.

Model 2 – Total university revenue increases at the rate of inflation adjusted downward by 50% of the rate of enrolment decline.

Model 3 – Provincial Grants to universities are limited to 4% increases per annum to 1981–82.

The first of these models assumes that universities will maintain their present level of priority within total government expenditures, if the increasing amounts going to pay interest on the public debt are excluded. This represents a reasonably optimistic level of revenue increases for universities. Model 2 funds inflation adjusted by the 50% discount on enrolment from Council's funding model. It should be noted that the results from this model are very similar to the Treasurer's announced policy of 5.8% increases in "controllable" expenditures if the provincial budget is to be balanced by 1980–81. Model 3 assumes more stringent grant increases for the next three years than the other models, a situation which might arise if, for example, government revenues were to fall below present expectations and the government decided to further restrict spending. The figure of 4% has been chosen arbitrarily.

For these models to generate total university revenue and the components of that revenue, a set of assumptions on various factors is needed: government revenue increases, inflation rate, enrolment changes, tuition fee rates, other university revenue levels and the date by which the provincial budget will be balanced. Values for each of these factors have been chosen for calculating an initial set of alternative university revenues to 1981–82 from these three models. It should be noted that the inflation rate of 6% per annum has been chosen, despite higher current rates, for

consistency with the rate used in the 1978 Ontario Budget.

The assumptions as to the initial value of the various factors are as follows:

Assumed government revenue increases1

- 1979-80 9.4% 1980-81 10.1% 1981-82 10.0%

Inflation rate Enrolment change Tuition fee rates Other university revenues

- 6.0% per annum3% decline per annum
- Remain at present levels
  Increase by \$3m. in 1979–80
  - and thereafter remain constant to 1981–82

Date by which provincial budget is balanced - 1981-82

Table 1 shows the assumed Ontario Government revenue and expenditures from 1978–79 to 1981–82. Tables 2 to 4 show for the various models the grant increase

<sup>1</sup> The government revenue increases for 1979-80 and 1980-81 are obtained from Budget Paper C, Ontario Budget 1978, page 6. The 10% rate of increase for 1981-82 is Council's assumption.

Table 1

#### Ontario Government Revenue and Expenditures 1977–78 to 1981–82

Revenue <sup>1</sup> \$m						
\$m 11,987 13,500 14,769 16,261 17,88 % increase 12.6 9.4 10.1 10.0 Expenditures <sup>2</sup> \$m 13,603 14,555 15,666 16,777 17,88 % increase 7.0 7.6 7.1 6.8		1977–78	1978–79	1979–80	1980–81	1981–82
% increase 12.6 9.4 10.1 10.0 Expenditures <sup>2</sup> \$m 13,603 14,555 15,666 16,777 17,88 % increase 7.0 7.6 7.1 6.8	Revenue <sup>1</sup>					
Expenditures <sup>2</sup> \$m 13,603 14,555 15,666 16,777 17,88 % increase 7.0 7.6 7.1 6.8	\$m	11,987	13,500	14,769	16,261	17,887
\$m 13,603 14,555 15,666 16,777 17,88 % increase 7.0 7.6 7.1 6.6	% increase		12.6	9.4	10.1	10.0
% increase 7.0 7.6 7.1 6.8	Expenditures <sup>2</sup>					
76 Increase	\$m	13,603	14,555	15,666	16,777	17,887
Deficit (\$m) -1,616 -1,055 -897 -516 0	% increase		7.0	7.6	7.1	6.6
	Deficit (\$m)	-1,616	-1,055	-897	-516	0

#### Notes:

- 1 Revenue data for 1977-78 and 1978-79 are obtained from *Ontario Budget 1978*, page facing page 1, and include both budgetary revenue and non-budgetary receipts and credits. For subsequent years, the assumed government revenue increases from page 17 of this document are used to obtain total revenue figures.
- 2 Expenditure data for 1977-78 and 1978-79 are obtained from Ontario Budget 1978, page facing page 1, and include both budgetary expenditures and non-budgetary disbursements and charges. It has been assumed that revenues would equal expenditures in 1981-82. Therefore, the expenditure figures for 1979-80 and 1980-81 are calculated to allow this balance to be achieved evenly over the three-year period from 1978-79 to 1981-82.

#### Table 2

#### MODEL 1

Provincial grants to universities until 1981–82 form the same percentage of provincial government expenditures (excluding interest on the public debt) as in 1978–79.

	1978–79 (\$m.)	1979–80 (\$m.)	1980–81 (\$m.)	1981-82 (\$m.)
Grants (% incr.)	738.5	789.4 (6.9)	846.8 (7.3)	907.8 (7.2)
Fees	139.8	137.6	133.5	129.5
Other Revenue	57.8	60.8	60.8	60.8
Total	936.1	987.8	1041.1	1098.1
(% Increase)		(5.5)	(5.4)	(5.5)

#### Notes.

- 1 Grants are calculated as 5.5% of the total government expenditures from Table 1 excluding the interest on the public debt.
- 2 Fee rates are constant throughout, but fee revenues decrease because of enrolment decline. The final \$2 million instalment on visa student fee revenues has been added in 1979-80.
- 3 Other revenue is assumed to increase by \$3 million in 1979-80 and remain constant in subsequent years.
- 4 Total revenue is calculated as the sum of the three components.

each year and the percentage increase in operating income of the universities. The assumptions made about inflation, fee rates and other income must be borne in mind when reading the tables. Appendix II-1 shows the sensitivity of the models to changes in the values of the variables.

#### Table 3

#### MODEL 2

Total university revenue increases at the rate of inflation adjusted downward by 50% of the rate of envolment decline.

	1978–79	1979–80	1980–81	1981–82
	(\$m.)	(\$m.)	(\$m.)	(\$m.)
Grants (% incr.)	738.5	778.9 (5.5)	826.0 (6.0)	874.9 (5.9)
Fees	139.8	137.6	133.5	129.5
Other Revenue	57.8	60.8	60.8	60.8
Total	936.1	977.3	1020.3	1065.2
(% Increase)		(4.4)	(4.4)	(4.4)

#### Notes:

- 1 Total revenues are increased by 6% per annum inflation adjusted downward for one-half of the 3% per annum enrolment decline (1.06 X .985 = 1.044).
- 2 Fee rates are constant throughout, but fee revenues decrease because of enrolment decline. The final \$2 million instalment on visa student fee revenues has been added in 1979-80.
- 3 Other revenue is assumed to increase by \$3 million in 1979-80 and remain constant in subsequent years.
- 4 Grants are calculated from total revenue less other revenue and fees.

Table 4

#### MODEL 3

#### Provincial grants to universities are limited to 4% per annum to 1981-82.

	1978–79	1979–80	1980-81	1981-82
	(\$m.)	(\$m.)	(\$m.)	(\$m.)
Grants (% incr.)	738.5	768.0 (4.0)	798.7 (4.0)	830.6 (4.0)
Fees	139.8	137.6	133.5	129.5
Other Revenue	57.8	60.8	60.8	60.8
Total	936.1	966.4	993.0	1020.9
(% Increase)		(3.2)	(2.8)	(2.8)

#### Notes:

- 1 Grants increase at 4% per annum.
- 2 Fee rates are constant throughout, but fee revenues decrease because of enrolment decline. The final \$2 million instalment on visa student fee revenues has been added in 1979-80.
- 3 Other revenue is assumed to increase by \$3 million in 1979-80 and remain constant in subsequent years.
- 4 Total revenue is calculated as the sum of the three components.

#### **Implications of Alternative Revenue Forecasts**

What are the implications of these alternatives for the university system? Regardless of the particular model chosen, all represent financial stringency and will necessitate expenditure restrictions at the universities. Constraint will not apply equally across the system. Some universities will be subjected to less pressure than others because of their program offerings, geographic location, or present financial situation. Even within a university it is not reasonable to expect that restraint can or will apply evenly to all programs. Nevertheless, at a system level, there is a range of options available for effecting expenditure reductions: reduction in the number of teaching faculty, reduction in the number of non-academic staff, further cuts in non-salary expenditures, and providing salary increases which fall below inflation rates. Because non-salary expenditures have borne the primary burden of cost cutting in recent years, it is not reasonable to expect that they alone could experience further reductions.

To understand the financial implications of the various models, each model must be measured in terms of a simple benchmark. The benchmark used in this analysis is the revenue that would be required by the universities to maintain the existing faculty and staff complement, to provide annual inflation and progress-through-theranks<sup>1</sup> increases for the salaries and fringe benefits for the faculty and staff complement, and to maintain the existing level of non-salary expenditures adjusted annually for inflation. Table 5 shows the level of system expenditure required each year until 1981–82 under the above assumptions. Council emphasizes once again that the analysis to follow is from the viewpoint of the system. Individual universities would probably differ in the extent to which they follow the pattern of the system.

#### Table 5

System expenditure levels required to 1981–82 to fund existing salary, fringe benefit and non-salary items plus 6.0% per annum for inflation plus 2.0% per annum on salaries and fringe benefits for progress-through-the-ranks:

	1978–79	1979–80	1980–81	1981–82	
	Estimated (\$m.)	Projected (\$m.)			
Salaries and fringe benefits	748.8	809.6	875.3	946.4	
Non-Salary items	187.3	198.5	210.5	223.1	
Total Expenditures	936.1	1008.1	1085.8	1169.5	

The assumed expenditure figures of Table 5 may be compared to the revenue figures generated for each of the three models shown in Tables 2 to 4 and a "shortfall" calculated. Using Model 2 only as an example, it is seen in Table 6 that there is a shortfall of \$30.8 million in 1979–80. For illustration of the total effect over the three-year period it is assumed that the university system takes no steps in each year to alleviate the shortfall. Therefore, the shortfalls and their implications shown

<sup>1</sup> Salary increases that are paid in addition to inflation allowances in recognition of career advancement. They can include increases for salary "steps", promotion, and merit.

for 1980–81 and 1981–82 reflect the accumulated shortfall from 1979–80. The accumulated shortfall is \$65.5 million in 1980–81 and \$104.3 million in 1981–82. There are various options available to the university system to meet this shortfall and these are shown in Table 6 for Model 2. Tables for all three models are given in Appendix II–2. To explain Table 6, let us concentrate on the 1981–82 column. The assumed expenditure is \$1169.5 million and the revenue is \$1065.2 million, leaving a shortfall of \$104.3 million. Using the options listed under item 4, it would require an 11.0% decrease from the benchmark salary and fringe benefit figure if all of the shortfall figure was taken up by the salary component of the budget. If, as in 4 (b), the shortfall is entirely covered by decreases in the non-salary area, there would have to be a 46.8% reduction. If the shortfall was spread evenly between the two major areas of the budget, the reduction in each category would have to be 8.9%.

Looking now at item 5(a) of Table 6, it may be seen that if all of the shortfall was accommodated by the removal of positions rather than salary reductions, a reduction of 1342 faculty positions would be required by 1981–82 along with a corresponding reduction in total dollars devoted to non-academic staff salaries which would probably involve an even greater number of positions. Obviously if all sav-

Table 6							
MODEL 2							
	1979–80	1980–81	1981-82				
1. Benchmark Expenditure (\$m.) (from Table 5)	1008.1	1085.8	1169.5				
2. Revenue (\$m.) (from Table 3)	977.3	1020.3	1065.2				
Accumulated shortfall (\$m.)     (Benchmark expenditure less revenue)	30.8	<b>6</b> 5.5	104.3				
Illustrative options available to university system to match shortfall:							
<ul> <li>(a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR</li> </ul>	3.8	7.5	11.0				
<ul> <li>(b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR</li> </ul>	15.5	31.1	46.8				
<ul> <li>accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally</li> </ul>	3.1	6.0	8.9				
5. Accumulated number of <i>faculty</i> positions implied by each option if cuts are made from positions:							
(a)	464	915	1342				
(c) (b)	0	0	0				
	378	732	1086				
Student-faculty ratios implied by each option:     (a)							
(a) (b)	15.2	15.4	15.5				
(c)	14.7	14.2	13.8				
V-1	15.1	15.1	15.1				

ings were generated by cuts in the non-salary area, as in (b), then no positions would be lost. If, as in 5(c), it is assumed that reductions are made in all areas of expenditure, 1086 faculty positions must be withdrawn along with, of course, the appropriate number of non-academic staff positions. Item 6 of the table shows the resulting student-faculty ratios for the options (a) to (c).

#### Some Comments on the Options

As indicated, one approach to reducing expenditures on salaries and benefits is an actual reduction in faculty and staff positions. To some extent this could be achieved through normal attrition and non-renewal of contractual appointments. But attrition could only be a partial response, the limiting factor being the age distribution of faculty. Because most teaching staff are between the ages of 35 and 45, retirements will not provide much relief to the universities for some time. Although attrition rates are difficult to estimate, it is reasonable on the basis of current figures to estimate that about 250 positions will be lost annually through attrition and non-renewal of contractual appointments over the next three years, fewer than the numbers needed to offset the revenue shortfalls envisaged in the models.

If attrition is at a rate of 250 faculty positions per year until 1981–82, with a corresponding reduction in non-academic positions, Table 6 indicates that the universities would need to remove another 592 faculty positions (1342–750) if salary increases were paid at the rate of 6% plus 2%. Assume still further that the universities intended to maintain the current teaching service level which is approximated at a student/faculty ratio of 15.1:1. To hold the student/faculty ratio at 15.1:1, 288 positions would have to be retained from the 592. Positions withdrawn then would be 750 by attrition and 304 through other means. The 288 positions that were not withdrawn would have to be financed by reducing salaries. Since 1% of the total faculty salaries budget equates to approximately 100 faculty positions, the accumulated reduction in expected salary levels would be less than 3%. It should be remembered that a 1% increase in tuition fees without a corresponding reduction in government grants would produce approximately \$1.3 million which equates to 33 positions.

It is obvious that there are many combinations of salary reduction and position withdrawals that are available to the universities. Council's purpose in using the above example is simply to show one such combination for one model. How any university responds will depend upon its own priorities, the severity of its financial problems, and, of course, what happens to fee levels. How the system responds will depend upon what is happening in the country as a whole. If all sectors of society accept wage increases that are below inflationary increases, the universities would be able to provide comparable increases without running the risk of losing their best people. (The best people could be held, of course, by deliberately setting aside a larger portion of the salary budget than at present for selective increases.) There will be a potential trade-off in favour of retaining positions rather than paying larger salaries. If high salaries must be paid and the global funds are limited the universities will have little option but to reduce the number of positions.

In all of this discussion, it is important to remember that the figures used by Council were derived from Model 2. Obviously if the actual situation more closely parallels Model 1, the position will not be as serious. On the other hand, should Model 3 be closer to actual than the others, the seriousness of the situation for the universities will be exacerbated.

#### Financial Outlook to 1990

The financial outlook for the university system after 1981-82 is a matter for even more speculation than the outlook until 1982. Should the Government of Ontario

succeed in balancing its budget there will subsequently be more flexibility on the expenditure side. Whether increased government expenditure would provide relief for the university system, however, is not certain. Enrolment in the whole post-secondary sector is expected to decrease after 1981–82. On the other hand, the anticipated rate of enrolment decline could be moderated through increased part-time student participation. It is also possible that an improved economy could produce a manpower shortage in 6 – 8 years' time and university graduates would be in greater demand.

Most of the above discussion has centred around cost-cutting as the means by which universities can maintain financial viability. Steps can also be taken to increase revenue. The search for other revenue sources should receive particular attention by the universities. What do institutions have to do to increase corporate donations? In large measure this depends on the corporate perception of universities. As well, it may involve exploration of ways in which universities can enter into activities with the private sector, such as the increased provision by universities of research and development services to business firms. Grants from government are not offset by donations from the private sector. Indeed, more private giving would be a good thing in itself because universities have become disproportionately dependent on public support.

Council has no crystal ball that allows it to predict the future but in general the future appears to be one in which the universities will have to reduce operating expenditures and explore alternative sources of funding.

#### The Allocation of Operating Grants Among Institutions

How severely the individual institutions are affected by global financial constraints will depend, in part, upon the mechanism used to allocate funds among them. Any number of options is possible and most have been discussed repeatedly and at considerable length in recent years.

Council is on record as stipulating that any allocative mechanism to be used in the Ontario university sector should provide: "(1) funding stability by preventing extreme fluctuations in institutional income, (2) funding predictability to assist institutions in their planning efforts, (3) equitable allocations among institutions, (4) accountability to the public by linking funds to some quantifiable factor, and finally a method that would be (5) simple to use, understandable and practical to implement" (Advisory Memorandum 77–VII). In its ongoing review of potential allocative mechanisms for undergraduate and graduate programs, Council has considered a great variety of options in light of these criteria. It believes that the formulae used for undergraduate allocations and those recommended for the graduate sector do indeed satisfy these five requirements far better than do any of the other mechanisms put forward from time to time.

Council is firmly of the opinion that yet another round of talks on allocative mechanisms would be fruitless unless the institutions or the Government can make a case for changing the criteria which Council has enunciated. It must be borne in mind that during the Spring 1978 hearings the majority of institutions concurred in principle with the formulae for allocating graduate support proposed in Advisory Memorandum 77–VII. These strongly resemble the formula currently in place for undergraduate allocations.

Nonetheless, Council has reason to suspect that the current undergraduate allocative mechanism is not fully understood in many quarters. The following, therefore, describes precisely how this formula works and how it serves the principles of stability, predictability, equity, and public accountability.

#### Mechanism for Allocating Funds with respect to Undergraduate Programs

The allocative mechanism currently used operates as follows. (1) For each institution an Undergraduate Formula Funding Base is calculated by taking a three-year average of weighted undergraduate student enrolment (Basic Income Units – BIU's) in the years 1974–75, 1975–76, and 1976–77. This base figure is fixed. (2) Each year a second average of weighted enrolment (BIU's) is calculated using actual enrolments in the preceding three years, a three-year moving average. These two average enrolment figures are then combined in the following way to generate the number of basic income units to be used for funding an institution's undergraduate programs: (1)  $+ \frac{1}{2}$  [(2) - (1)]. That is, the number of BIU's in the Undergraduate Funding Base plus 50% of the difference between the more recent moving three-year average of BIU's (2) and the BIU's in the Base (1).

This means that institutions which experience undergraduate enrolment increases post-1976–77 will, after three years, receive a maximum of 50% of the operating revenue that would otherwise be expected were funding allocated on a direct per capita basis. Conversely, institutions which experience undergraduate enrolment declines will lose a maximum of only 50% of the funding associated with the lost enrolment. Herein lies the stability feature of this allocative mechanism for, in the extreme case, an institution which had no enrolment whatsoever at the undergraduate level beginning in 1977–78 would receive funding on the basis of

50% of its average enrolment in 1974-75, 1975-76 and 1976-77.

Enrolment averaging, the fixed base, and slip-year enrolment counting combine to serve the principle of predictability. Again taking the extreme case, if an institution unexpectedly lost all undergraduate enrolment in a given year, it would know immediately that under this allocative mechanism its funding BIU's in the following year would decrease by one-sixth.

The undergraduate formula provides a degree of equity among the institutions because a relationship continues to exist between the numbers of students enrolling and the level of funding. This same relationship between enrolment and funding is the way in which the criterion of public accountability is served.

#### Mechanism for Allocating Funds with respect to Graduate Programs

In Advisory Memorandum 77–VII Council outlined allocative mechanisms which it favoured for the graduate sector. These were generally modelled along the lines of the undergraduate formula, with the exception that a higher degree of stability through reduced enrolment sensitivity would be provided in the allocations with respect to doctoral programs. As indicated earlier, these proposals were by and large endorsed by the university community.

Council can only reiterate that it does not wish to entertain another round of talks concerning allocative mechanisms unless new evidence is presented to show clearly that the criteria governing selection of a funding mechanism should be

altered.



## Part III:

## Academic Functions of the Universities

## **Undergraduate Instruction**

#### The Growth and Decline of Enrolment

As outlined in the Introduction to Council's *Fourth Annual Report*, the universities of Ontario have just pased through a remarkable period of growth in which accessibility was a major government objective. The universities were asked to provide places for all qualified applicants and they did so. Since 1960 the growth of the 18–24 age group has been approximately 108%. In addition to the increase in the number of young people of the usual age to attend university, the participation rate also increased. Full-time undergraduate university attendance expressed as a percentage of the 18–24 age group increased from 5.4% in 1960 to a high of 13% in 1975–76.

From all appearances the number of full-time undergraduate students in attendance at Ontario universities has fallen since 1976–77 and may continue to fall until at least 1995–96. Although the number of people in the 18–24 age group will continue to increase until 1982–83, the participation rate has already declined from the 13% achieved in 1975–76 to an estimated 11.5% in 1978–79. This decline in the participation rate is a matter of concern in certain quarters. Indeed, Council heard arguments during the Spring of 1978 that steps should be taken to increase attendance at universities to meet Canada's long run need for increasing numbers of people educated at the university level. On the other hand, Council is aware of opinions to the effect that university education has been oversold in recent years and that steps should be taken to make other forms of education and training more attractive.

The fact is that university education in Ontario is already widely accessible to individuals who can meet university admission requirements. Although a significant proportion of young men and women have the opportunity and qualifications to attend university, many are choosing not to do so. It has also been suggested that young people from some socio-economic backgrounds elect not to enrol in secondary school programs that would enable them to enter university. To the extent that this is deemed an example of denial of accessibility, it is one that should be addressed at the primary and secondary school levels. As long as financial assistance is available to university students regardless of socio-economic background, the decision to attend must clearly be a matter of individual choice.

The current position on part-time studies is that enrolment is declining in this area also. It is not easy to predict the future in this sector. During the past two decades the attention of the university system has, of necessity, been directed primarily to providing places for full-time students. As the universities shift their focus to providing opportunities for potential part-time students, and as the number of people in the age group 25–35 grows, (a large percentage of part-time students is in this age bracket), the enrolment in part-time studies of all kinds could increase. However, it would take large percentage increases to offset the declines expected in full-time enrolment. For example, to offset a decline of one full-time student would normally require five additional part-time course registrations.

The Tables in Appendix III-1 present some general data on undergraduate enrolment patterns. An examination of the decline in undergraduate enrolment that has already occurred in the system brings to light a number of interesting facts: the undergraduate enrolment decline is concentrated primarily in the Arts and Sciences; the decline experienced in 1977–78 occurred primarily in the freshman year; undergraduate enrolment declines were not distributed evenly among the universities; and, the enrolment decline experienced in university undergraduate programs was not duplicated at Ryerson, the Ontario College of Art or in the Colleges of Applied Arts and Technology. First year applications for entry in Fall 1978, based

on the latest available information, indicate that in general the same pattern of enrolment change may occur in 1978-79.

As a general principle Council believes that the universities, individually and collectively, must be responsive to changes in the level of student demand for undergraduate education. A diminishing supply of students will undoubtedly have an impact on the institutions within Council's purview. Accordingly, Council now turns its attention to the following specific areas of undergraduate instruction: Professional Programs, Polytechnic Instruction, Part-time Studies, and Arts and Science.

#### **Undergraduate Professional Programs**

Students are usually admitted into undergraduate professional programs in their freshman year (like Engineering) or at some point in their undergraduate studies (like Medicine and Law). Many of the professional programs have enrolment ceilings and most enjoy a student demand which exceeds their capacity (e.g. 6 applicants for each medical school admission).

There is one notable exception to the rule of high demand for professional programs, namely, Bachelor of Education programs. While this may be a source of considerable concern to the Faculties of Education, Council, from a public interest perspective, finds this development encouraging. The market for new teachers in Ontario has decreased markedly with the declines in the number of elementary and secondary students. Evidence suggests that there may be a general winding down in these educational sectors, and Council thus takes reassurance from the indications that student demand for the B.Ed. appears to be taking cognizance of the employment situation. Indeed, current developments in Education programs suggest that the "marketplace" approach can and does work for professional undergraduate programs, although there may be time lags before student demand fully reflects the availability of jobs for graduates.

Although Education has been cited as an example of a professional field in which student demand has begun to reflect changes in the marketplace, it must be remembered that demand for teachers is relatively easy to predict given that the number of teachers needed is a function of demographic trends. In most other professional areas, however, it is much more difficult to forecast society's need for graduates. This factor alone makes it imperative that a very close watch be kept on student demand and the need for professional graduates.

Without begging questions about the validity and accuracy of manpower fore-casting, Council has begun to wonder whether the enrolment levels in professional programs other than Education are appropriate. Is there any way to assess whether enough graduates are being produced in the various professional fields? In which professional areas, if any, are too many graduates entering the work force each year, and vice versa? Are there likely to be shifts into new "professional" areas? Council would be particularly interested in hearing from the universities the extent to which the professions heavily oriented toward public sector employment (e.g. Nursing, Library Science, Social Work) can expect declines in demand? Should fewer graduates in these fields be entering the marketplace given general expectations of declines in public sector hirings?

Council poses these questions with three thoughts in mind. First, if undergraduate professional programs maintain current enrolment levels, there may be a gradual change in the character of some institutions as Arts and Science enrolment declines. Second, in those professional areas where enrolment controls are not exercised by agencies outside the system, universities might increase professional enrolments as an offset against enrolment declines in other programs. Third, if

there are indications that the universities are producing an over-supply of professionals in some fields, attention should be given to reducing the number of professional graduates.

Undergraduate professional programs are expensive to operate. The applied training received by students in professional programs naturally tends to foster the expectation that graduates from these programs will find employment in their fields. It is, therefore, in the public interest for Council to expect COU and the individual institutions to monitor developments in this area as they affect the university, the professions and the student.

#### **Polytechnic Instruction**

Polytechnic programs are treated here as a separate category. Ryerson Polytechnical Institute is the only centre for polytechnic degree education in Ontario and, as well, offers programs leading to certificates and diplomas in applied arts, technology, and business. Demand for admission to Ryerson continues to exceed the number of annual admissions.

There is ongoing discussion as to the potential desirability of expanding polytechnical education in Ontario. From the viewpoint of the university system it might be desirable to encourage some universities with neighbouring Colleges of Applied Arts and Technology to develop and offer joint programs leading to applied bachelor's degrees. On the surface this approach might: (1) allow universities with sharply decreased Arts and Science enrolment to use excess physical capacity for polytechnic offerings; (2) use existing university faculty, who might otherwise be considered redundant, to offer the arts and science components of the polytechnic education; and, (3) improve accessibility to polytechnic programs. It should be noted here, however, that while arts and science courses taught at Ryerson may appear to be the same as those taught at universities, in actual fact there is a fundamental difference in approach. In order to have university faculty teach arts and science courses within a polytechnic framework, there would need to be significant curricular revamping and a true commitment to the polytechnic concept.

As desirable as a move to applied arts and technology degree offerings may seem, Council urges the exercise of caution and careful planning before any polytechnic expansion is undertaken. At present the ratio of qualified applicants to freshmen enrolment at Ryerson averages about 1.9:1. Care must be taken not to open so many other programs that Ryerson's viability is threatened, nor to infringe upon the technical program areas which are in the domain of the Colleges of Applied Arts and Technology. Even more consideration must be given to the students entering polytechnic programs. The need for polytechnic programs must be measured not only in terms of student demand, but also in terms of the job opportunities available for students completing these programs. New programs should only be started in those areas designated by Ryerson and its advisory councils (drawn from the business community) as having both excessive student demand and ample employment opportunities for additional graduates. For its part, Council would not approve funding for any new polytechnical programs without consulting Ryerson.

In the final analysis it may well be found that society's need for polytechnic graduates may best be served by Ryerson exclusively. Indeed, the question may be asked as to whether it is appropriate to encourage or allow the expansion of a third stream of post-secondary education in Ontario of the kind described above when the entire post-secondary system will face the effects of a demographic downturn expected to begin in the early-1980's. However, if it is the conclusion of all concerned, and especially Ryerson, that there now exists a great need to expand polytechnic programs and accessibility in Ontario, consideration must be

given as to how this expansion should be carried out. Should all polytechnic expansion be left up to Ryerson, or should other institutions be involved?

If it can be proven that polytechnic expansion is needed in Ontario, it will also be important to determine where it should occur. Many believe that the successful polytechnic is a strictly urban phenomenon, and that a large metropolitan area is the only place in which the proper blend of student demand, student employment and external business community input into the actual programming, can be found. If the expansion is to take place in a non-metropolitan area, would Lakehead beckon as the institution most suited to offer polytechnic programs in addition to its regular university programs, given the diploma courses it already offers?

#### **Undergraduate Part-Time Studies**

Now, as in the past, Council does not attempt to forecast likely enrolment trends in the area of part-time studies. Dr. J. Porter of Carleton University is currently studying part-time students and his findings may well shed some light on the reasons for, and patterns of, part-time attendance. In any case, it is important to remember that universities face rugged competition in the part-time arena – from Colleges of Applied Arts and Technology, correspondence courses, interest courses offered in evenings by Boards of Education, and the like. Hence, it may be faulty to assume that universities will be able to absorb, through growth in part-time enrolment, the excess capacity which will result from declining full-time enrolment.

#### **Undergraduate Arts and Science**

It has been suggested that as the pool of eligible potential undergraduate students shrinks, universities will be motivated by the so-called "per student" funding formula (although greatly modified by averaging and discounting enrolment change) to compete among themselves for students. Competition could take many forms: stepped-up recruitment activities; more flexible admission standards; financial incentives to entice students to enrol (like reduced or free tuition, more generous scholarships, etc.); or, even mounting of popular but academically unsound programs. Council does not consider that the funding formula, with its fixed base, averaging and discounts on enrolment change, will lead universities to undertake excessive measures to attract students. Provided all can compete on approximately the same basis, and provided standards are not eroded, it is hard to imagine how competition can be viewed as a major threat to the system. In the final analysis the healthiest and highest quality programs will continue to be those which undertake ongoing self-analysis and constant improvement, and competition, be it for students or funding, is a significant motivating factor in this process.

At the same time, it is important to remember that enrolment is unlikely to decline evenly across the system. Unless some institutions are unable to moderate their enrolment declines and eventually stabilize Arts and Science enrolments, they will soon find themselves in very serious circumstances. Those institutions, on the other hand, which currently enjoy high levels of student demand, and those with professional programs, are probably not going to be as concerned with falling undergraduate Arts and Science enrolments because the rate of overall undergraduate decline will be dampened.

What then, if anything, should be done about declining undergraduate Arts and Science enrolment?

The setting in which Ontario's universities must come to grips with this problem is one characterized by a relatively "free market" situation with respect to the distribution of students among institutions and by a mechanism for allocating Government grants among the institutions which reflects enrolment levels but is highly desensitized to sudden changes in institutional enrolment levels. For its part,

Council would not be inclined to tamper with either of these characteristics for a variety of reasons.

The Operating Grants Formula with respect to undergraduate programs provides a very important element of public accountability through linking levels of support to levels of enrolment. At the same time, Council designed this allocative mechanism to provide the institutions with considerable fiscal protection against sudden enrolment declines. The stabilization feature of the formula is such that even if an institution's enrolment went to zero, funding based on 50% of its average enrolment in 1974–75, 1975–76 and 1976–77 would be guaranteed. Despite this protection, there remains the possibility that institutions might be able to convince Government to provide special "bail-out" funding in the event of a drastic enrolment decline. Council has grave concern about the effects that an action of this sort would have on the will of other institutions to cope with the difficult circumstances that will confront all in the coming years.

Council believes that retaining the relatively free "marketplace" with respect to the distribution of undergraduate Arts and Science students among institutions has a good deal of basic appeal. In the first place, it respects the Ontario tradition of institutional autonomy. Secondly, in a situation of overall enrolment decline this approach might well hasten the advent of institutional differentiation along lines

of program specialization.

During the Spring, 1978 hearings Council found that the concept of planning appropriate undergraduate Arts and Science enrolment levels was favoured in some quarters. Council, for its part, would question the desirability of such a policy. In the first place, regardless of *who* would be given the responsibility for the setting

of institutional targets, the question of how would have to be addressed.

It must be remembered that enrolment projections at the system level in Ontario, even those made for one year into the future, have been notoriously inaccurate. If quotas for each institution were to be rigidly stated, and if the system enrolment expectations turned out to be too low, there would be a real danger that qualified students might be denied entry to undergraduate Arts and Science programs. Setting institutional enrolment quotas would also potentially violate Ontario's tradition of free student choice, and in turn might well exacerbate the enrolment decline situation. For example, if a student were unable to enrol in the institution and program of his choice, he or she might decide against attending university.

Council now turns its attention to ways in which excess system capacity for undergraduate Arts and Science students might be reduced to reflect more closely the expected levels of student demand. The options considered must respect the probability that the Government will wish to ensure that all universities in Ontario continue to offer some services. In this context it must be remembered that at the local level universities have a special social impact. They have become important to their adjacent communities, particularly in smaller centres, for a variety of reasons. Universities are labour-intensive, and as a result offer a community employment possibilities and consumer spending. University purchases also stimulate the local economy. A university provides status and prestige to a community and, as well, expands the cultural activities available to its citizens. Finally, universities in smaller centres and in Northern areas improve accessibility for students in the region generally, and in some instances, for students living nearby who wish to, or must live at home. Because these considerations are "community specific", they tend to lead many to believe that an area-based legislature will not close any university. Accordingly, institutional closure is very likely an unrealistic solution to the enrolment problem.

This suggests three options which might be adopted. The first would reduce system capacity for undergraduate Arts and Science students through satellite

campus rationalization. The second would involve the merger of undergraduate programs at adjacent institutions. The final option would call for differentiation of undergraduate roles and offerings.

Council realizes that these options are not the only ones available, nor are they considered to be mutually exclusive. Rather, they are examined as ways, taken singly or in combination, of addressing a university system problem. Each option has direct implications for institutional autonomy and system control structures which are addressed in a later section of this paper.

Satellite Campus Rationalization: The first approach involves closing or modifying the functions of a small number of campuses without threatening the existence of the parent university, and without eliminating university level educational opportunities for the region served by the particular campus in question.

Regarding satellite campus closure, examples which immediately come to mind are the University of Toronto's undergraduate campuses at Scarborough and Erindale, and York University's Glendon College. If system rationalization is needed at the undergraduate level to reflect decreased student demand, is it appropriate to have five four-year undergraduate Arts and Science campuses in Metropolitan Toronto? Could some, or all, of the satellite campuses be closed without jeopardizing the parent institutions? If closure is not the answer, could the functions of these campuses be modified to assist in the system's need for reduced undergraduate capacity?

Council also sees a need to ensure that, at the undergraduate Arts and Science level, care be taken to avoid further build-up of fixed instructional resources (particularly tenured faculty) that could soon represent a serious element of excess capacity in the system. This could involve reorganization of an institution with multiple affiliated institutions to enhance flexibility for responding to changing demands without adding to overall physical or faculty capacity. For example, Laurentian and its affiliated university colleges might be integrated into a University of Northeastern Ontario, with four, or even more, campuses to serve the needs of the region. Faculty would be assigned, and programs offered, on a protem basis in response to local needs. In this way the satellite campuses, and offcampus operations, could continue to provide the same, or better, educational opportunities for the region that the affiliates now serve, but the institution as a whole would have more flexibility to respond to changes in student demand. This type of approach would not necessarily reduce the cost of providing university education in Northeastern Ontario. However, it would be in keeping with other efforts to rationalize the system and might well avoid future problems of regional excess capacity or program proliferation should the affiliates continue to develop along individual institutional lines.

Merging Undergraduate Arts and Science Programs: At geographically proximate institutions, one could visualize a situation where, if enrolment declined sufficiently, only the mass of a combined student body would be adequate to allow maintenance of a broad spectrum of program offerings. Council has already heard the views of Waterloo and Wilfrid Laurier, Carleton and Ottawa on the subject of merger, but nonetheless finds the concept of undergraduate program merger of continuing interest.

Institutional Role Differentiation at the Undergraduate Level: Council believes that, generally speaking, undergraduate role differentiation must be considered in the broader context of institutional role differentiation, and has turned its attention to this question in a later section of this paper. Nonetheless it is appropriate at this

juncture to raise one option for differentiation that is specific to undergraduate programs, namely, elimination of high cost honours programs in areas of specialization where demand declines. Council would be most interested in hearing institutional views on this option, and the cost savings that might result. As well, would independent institutional action along these lines necessitate increased involvement of the collectivity in the undergraduate area to ensure that in the system as a whole there would remain adequate coverage of specializations in four-year under-

graduate programs?

Finally, in order to put the above discussion in proper perspective, we must keep in mind the objectives of Arts and Science undergraduate education. As in all other sectors of post-secondary education in Ontario, the prime objective is the provision of high quality education. In Arts and Science, the prime objective is specifically the provision of high general education. Before the decline began in 1977–78, Arts and Science experienced a large increase in enrolment. There are two possible reasons for this: (i) there were many people who wanted a general education; and (ii) many people thought it would lead to a good job. With respect to (i), Council believes Arts and Science education has served that purpose. However, regarding (ii), an Arts and Science education is not the road to riches for many. The universities must make it quite clear, especially at this time when they are attempting to cope with large declines in Arts and Science enrolment, that the primary purpose of an Arts and Science education is to provide a high quality general education, and not specific job training.

In the foregoing pages, Council has addressed, rather specifically, the problems of declining undergraduate enrolment and possible ways of coping with this decline. It now invites institutional responses to the issues and questions raised.

For its part Council is of the opinion that institutions should be left to adjust their operations to bring them into line with changes in demand for their services, and should be able to live within the resources provided through the current allocative mechanisms even in the event of severe enrolment drops. Despite the problems associated with likely enrolment declines and funding levels, the universities should be able to achieve the undergraduate goals of developing a more educated populace and educating and training people for the professions. Furthermore, provided the institutions are able to find the correct solutions to their problems, the quality of undergraduate programs in Ontario will be maintained.

### **Graduate Instruction**

The graduate sector of the Ontario university system differs from other areas of university affairs in that its evolution has been characterized by a degree of control not found elsewhere. It has always been believed that graduate education is so important and so costly a venture that it has required this careful planning and coordination. Each year Council has issued an advisory memorandum on graduate planning. In addition, graduate program planning has proved to be an important subject of discussion during the annual meetings of Council, the individual universities and the Council of Ontario Universities (COU).

Therefore, even though the problems of declining enrolment and constrained funding which now face the graduate sector are the same as those which are being experienced in all other sectors, the solutions cannot be sought in the same way. In order to understand fully the situation and to determine ways of coping with it, one must be aware of the way in which the graduate enterprise has developed. For this reason, Council presents a summary of the evolution of the graduate sector up

to this point before addressing the problems of the immediate future.

#### **Historical Background**

In the early 1960's existing institutions were expanded and new ones created in response to rapidly increasing needs and demands of society. The graduate sector, responding quickly to both the growing need for post-secondary educators and the pressure to expand research in Canada, was far from exempt from this tremendous growth and in fact surpassed the rate of growth of the undergraduate sector. It must be understood, however, that graduate studies began its enrolment growth from a disproportionately low base. Thus the increase in numbers of graduate students that was achieved in the growth years was not out of line with the increases at the undergraduate level. Indeed, growth in graduate studies was strongly supported by government, as was shown by the introduction of a system of Extended Graduate Program grants to help universities cope with the expansion. Also, the Province of Ontario Graduate Fellowship Program was introduced to aid graduate students who wished to pursue a career in post-secondary teaching. Although the government encouraged and financially supported this expansion, it did not interfere with the actual process. The responsibility for the careful planning of new programs of high quality was left to the universities. University autonomy, which has always been a basic characteristic of the Ontario university system, was respected.

By the mid-1960's there was growing concern over the pattern of development in the graduate sector. In 1965 a commission was appointed to study this development, and in 1966 the Report of the Committee to Study the Development of Graduate Programs in Ontario (Spinks Report) was published. Perhaps the most well-known recommendation contained in the report was that the University of Ontario should be formed. However, because of the value attached to maintaining the distinctive personalities of Ontario's universities, this recommendation found little support. The report did, however, contain many other recommendations of a less extreme nature. In some respects, the Spinks Report can be viewed as somewhat of a turning point in the development of graduate studies in Ontario. Until the time of publication of the report, the responsibility for the development of graduate programs was in the hands of the individual universities. After 1966, however, there began a move towards system-wide cooperation and coordinated graduate planning.

The first step in the evolution of cooperative graduate program planning was the introduction of the appraisals system. The main goal of the appraisals system was the assurance of academic quality. The Committee on University Affairs (CUA) strongly supported the appraisals process, as is evidenced by the following excerpt from its 1967 report.

This system provides the first and perhaps most critical test for a graduate program – academic quality. The structure of the system and the use of external judges seems to provide for the utmost objectivity and fairness.

However, although CUA supported the appraisals process, it felt that a satisfactory appraisal in itself was not sufficient for the approval of new programs.

Appraisal is a necessary step in determining the feasibility of inaugurating a new graduate program, but it is not a sufficient criterion. Tests of need must also be applied.<sup>2</sup>

In this report the Committee also spoke of "effective rationalization of effort and resource allocation" and "more effective communication among the universities

<sup>1</sup> Report of the Committee on University Affairs 1967, p. 24

<sup>2</sup> Report of the Committee on University Affairs 1967, p. 25

and with the Committee on University Affairs." Even at that time of prosperity for the universities, the questions of academic quality, need, prevention of duplication, and cooperation were being addressed. While recognizing that these were important aspects of graduate planning, the Committee cautioned against the possible threat that too much control might pose to the system and to the principle of autonomy.

In encouraging the development of graduate work in Ontario it is imperative that programs of such cost and importance be of high quality and carefully planned. Rapid but controlled growth, reasonable enough as a concept, presents certain challenges to traditional patterns of interaction and to fundamental notions of university autonomy.<sup>1</sup>

The next major stage in the evolution of coordinated, system-wide graduate planning was the formation of discipline groups which were concerned with graduate planning by discipline across the system, rather than for each university separately. In 1968 the Advisory Committee on Academic Planning (ACAP) was created. ACAP was given the task of advising and aiding in the development of these discipline groups. A concise description of the development of discipline groups and ACAP can be found in Advisory Memorandum 75–IV.² It is important to note here, however, that since their initiation they have come to play important roles in the development of the graduate program planning process in Ontario.

During the growth period much concern was expressed over the rapidly rising cost of the expansion. For this reason, in 1971 the Ontario Government placed an embargo on funding of all new graduate programs. This embargo was later modified to include only those disciplines which were felt to be in danger of over-expanding. ACAP was given the responsibility for the planning studies to be done in the

embargoed disciplines.

By 1975, much concern was being expressed over the enrolment sensitivity of the graduate funding formula. It was felt by many that a funding formula which was less enrolment-sensitive would be more appropriate in the graduate area. In view of the importance of the graduate funding mechanism, Council invited the universities, during the 1975 Spring hearings, to offer their views on how the formula might be revised. Council also recognized that any formula revision of this kind would require careful consideration of all aspects of graduate work in Ontario. Accordingly, in Advisory Memorandum 75–V, <sup>3</sup> Council recommends to the Minister that the graduate funding formula be suspended for 1976–77 and 1977–78. This recommendation was later modified to include 1978–79. This "freeze", as it came to be known, served the dual purpose of affording Council the time in which to make a thorough examination of graduate funding, and providing the universities with the opportunity to assess their priorities and plan graduate work, both at the institutional and the system-wide level, without the financial pressures of an enrolment-sensitive funding mechanism.

While the period of formula suspension has provided both Council and the universities with the opportunities outlined above, it has also come to play an even more important role in the evolution of the graduate sector in Ontario. During the freeze two very important developments have taken place: the reformulation of the appraisals process by COU, and the determination, by OCUA, of the approach to be taken to graduate planning in the first quinquennium, 1979–80 to 1983–84.

<sup>1</sup> Report of the Committee on University Affairs 1967, p. 23

<sup>2</sup> Ontario Council on University Affairs, Second Annual Report 1975-76, p. 26

<sup>3</sup> Ontario Council on University Affairs, Second Annual Repart 1975-76, p. 34

In 1977, COU presented newly revised by-laws pertaining to the graduate planning/appraisals process. These modifications place a much greater emphasis on quality than had previously existed in the planning process, and above all, ensure that all existing graduate programs in all disciplines will be subjected to rigorous quality appraisals. These revisions have been approved of and supported by Council. As yet, however, no discipline reviews have been completed under the new procedures. Council is anxiously awaiting the results of the implementation of the new procedures.

The abovementioned planning/appraisals modifications apply mainly to existing graduate programs. With respect to new programs, Council, in Advisory Memorandum 77–VII,¹ developed strict criteria for their approval. These criteria have been developed in accordance with the goals Council has established for the graduate sector for the first quinquennium, 1979–80 to 1983–84. It is not Council's intention to reiterate these objectives and criteria here, but rather to stress that they are based primarily on the aspects of quality and need, which are so important in graduate education.

#### The Future

The situation facing the university system as it enters the first quinquennium is one which creates much cause for concern. As can be seen in the tables in Appendix III–2 graduate enrolment is in decline, and this decline is expected to continue. Continuing enrolment decline, when combined with the constrained funding which is being experienced by all sectors of the university system, leads Council to ask a fundamental question: will the controls now in existence be sufficient to ensure the maintenance of a high quality graduate enterprise in Ontario? At present the Council does not know whether the new planning/appraisals processes will be rigorous enough to eliminate all of the existing graduate programs which are of less than good quality. Nor can Council be sure that COU will adopt a stricter stand than heretofore regarding the funding of new graduate programs in line with the funding criteria established in Advisory Memorandum 77–VII. Council is, however, in the process of formulating new funding allocation mechanisms which are geared to promoting system-wide stability in the face of declining enrolment.

Council will continue to watch with great interest the progress of graduate planning in Ontario and hopes that the new procedures regarding both existing and proposed graduate programs will be sufficient to ensure the continued development of a high quality graduate enterprise. The maintenance of high quality graduate programs and the elimination of poor quality programs has always been a prime objective of the university system. Now, more than ever, it is absolutely essential that this objective be realized through the agencies of COU and ACAP and using the criteria and objectives iterated by Council. Council is committed to awaiting the outcome of the control procedures before taking further action but would not hesitate to introduce further controls, should there be any indication that they are

necessary.

Council does not believe that the situation in the graduate sector at present stands in the way of achieving the university system's goals. However, questions of control and planning mechanisms aside, Council is concerned that graduate rationalization and disciplinary evolution have been considered in isolation. Council believes that future rationalization and planned evolution must take into account the interaction between the graduate and undergraduate sectors and the institutional profiles which thus emerge. Accordingly, Council now turns its attention to the subject of rationalization through institutional role differentiation.

<sup>1</sup> Ontario Council on University Affairs, Fourth Annual Report 1977-78, p. 55

### Institutional Role Differentiation

The concept of institutional role differentiation in the Ontario university system is one that has been cited often, in recent years, as a desirable aim. With a future of falling demand for university level instruction combined with fiscal stringency, the attractiveness of institutional role differentiation is likely to grow, at least from the perspectives of the public and the government, as a way in which system resource commitments might be brought into line with student demand levels through

elimination of duplication and through consolidation.

From its own perspective Council believes that considerable institutional differentiation already exists in Ontario. This is due in part to the way in which the universities evolved, and in part to the regulatory processes that have had a bearing on new program initiatives during the past decade. The current differentiation among institutions in Ontario occurs through a combination of disciplinary emphasis and breadth of instructional offerings. Some universities are known for particular disciplinary strengths, some for the breadth of professional schools and some for their regional or other character. Of course, there is duplication of programs in the system. To some extent this is necessitated by the nature of a university and the way in which Ontario's universities evolved as independent institutions. Council's concerns with unnecessary duplication at the graduate level have led it to encourage the system to examine and begin to resolve this problem during the first graduate planning guinguennium. Moreover, Council believes that there remains some scope for increased role differentiation among the universities based on disciplinary emphasis and level and range of instructional offerings. Without prejudging which institutions might fall into each, Council suggests the following four categories:

- 1. Institutions oriented primarily toward undergraduate Arts and Science, with few, if any, undergraduate professional programs and no graduate programs.
- Institutions oriented primarily toward undergraduate Arts and Science and selected undergraduate professional programs. Institutions falling into this category might have, as well, limited offerings at the master's level to meet specific regional needs and opportunities.
- 3. Institutions which offer a broad range of programs at the undergraduate and master's levels, including professional programs, with doctoral programs in fields restricted to the institution's particular strengths in one or two graduate sectors.
- 4. Institutions which offer a broad range of programs at all levels of instruction. Programs at the graduate level would likely be offered in each of the four general graduate divisions, but not necessarily in all disciplines.

Council will be interested in hearing from the universities the extent to which further role differentiation along the lines suggested might be a feasible and appropriate solution to the system's dual problems of enrolment decline and fiscal stringency. For its own part Council does indeed feel that movement in these directions would assist in the effective utilization of public funds through elimination of areas of unnecessary duplication. Because the foregoing discussion has been motivated by considerations of declining enrolment and stringent funding, institutional role differentiation is examined solely in the context of instructional offerings. In responding to Council's thoughts on this subject the universities should elaborate upon the extent to which the research and public service functions would be influenced by institutional role differentiation along instructional program lines.

Any consideration of institutional role differentiation immediately generates a host of questions. Can effective differentiation be achieved through independent

institutional decision-making? If not, who should determine each institution's role in the system and through what means? Questions of this nature in turn raise fundamental questions of control mechanisms and structures, university autonomy and public accountability, all of which are discussed in Part IV of this paper.

#### Research

As stated in an early section of this paper, research is a vital function of the university. In Canada, research in the universities has been supported by both the federal and provincial governments. The federal support has been provided primarily through the national granting agencies, the National Research Council, the Medical Research Council and Canada Council. Using NRC as an example, it is clear that two features of that agency's policy have been essential to the maintenance of quality and the level of research in Canadian universities. First, NRC has provided the necessary mechanism for peer judgment of research. The funds have gone to competent researchers and meritorious projects regardless of which university housed the project. An important product of the policy is that universities have been assisted in identifying their strengths, and centres of international reputation have emerged. Second, some funds have been provided to all universities in the form of special grants because NRC recognized the need for research at every institution.

Provincial support for research has been provided through the normal operating grants and as operating grants have increased, so has the funding for research. For example, the number of full-time faculty increased substantially over the last 20 years and faculty members are normally paid both to teach and to do research. Also, the Government of Ontario has supported research in the universities through direct grants or contracts. The Ministry of Agriculture and Food contract with the University of Guelph is an example of such an arrangement which appears to be beneficial to both parties. Research funds also come to the universities from foundations and through the proceeds of lotteries, as well as other assorted avenues.

Although the level of research activity in the universities and in Canada generally has increased in the past 20 years, it is still significantly below the level of most industrialized countries. At present, the total Canadian expenditure for research and development is equal to 0.9% of the gross domestic product (G.D.P.) as compared with 2.3% for Holland and Germany and 2.5% for the U.S.A. The industrial sector accounts for one-third of our expenditure on research and development while the remaining two-thirds is spent by governments and the universities.

The promotion of research has been a difficult task in Canada. The national granting agencies have been sympathetic and supportive of research in the universities and governments themselves have conducted a significant amount of research. On the industrial front, however, there has been little incentive for Canadian companies to be actively involved in research and development. Some have built up research programs of a substantial nature but others have been content to import their technology from elsewhere. In Canada, unlike the situation in many developed countries, industry has made only limited use of the research capacity of the universities.

The need for research in a country trying to promote industrial growth appears to be obvious and yet no national priority has been given to research until very recently. It is difficult to understand the past Canadian attitude as far as applied research and development is concerned. It is not as difficult to understand our restricted funding for basic research because in some minds it is thought to be not very useful. There is no immediate impact from basic research but over a period of years it shapes our thinking about technology, our environment and our culture. Information obtained yesterday fits with new information gained today and the

pyramid of knowledge grows step by step. The accumulated new knowledge and new techniques become the basis upon which industry and culture develop.

The rather sad state of research in Canada today has apparently been recognized at long last by the Government of Canada. It is clear from the initiatives proposed by the Ministry of State for Science and Technology (MOSST) that an attempt is being made to increase the amount of research done in Canadian industry, to increase collaborative efforts between universities and industry and to encourage research on matters of national priority. Included among the initiatives proposed, of particular interest to the universities, were:

- (a) a national target for research and development expenditures of 1.5% of G.D.P. by 1983 (but with unstated manpower implications);
- a \$3 million program under Canada Works to create jobs for scientific and technical personnel to undertake research projects in universities at the request of Canadian firms;
- (c) establishment, over the next two years, of up to 5 regional university-based Industrial Research and Innovation Centres (IRIC) with \$2 million being made available this year;
- (d) creation of Centres of Excellence on a regional basis to achieve better integration of government, university and industrial research capacity that will be based on the natural and human resources of each area; and,
- (e) an increase of \$10 million this year in the budgets of the granting councils for university research in areas of national concern.

The measures listed above, taken in addition to the incentives contained in the last Government of Canada budget, should stimulate research in the universities. It is hoped that the universities will be responsive to the government proposals involving joint research efforts with industry. Several universities already appear to have begun to develop closer ties with industry and the funds provided by government should be an added stimulus. Also, increased funding for research proposals on subjects of national priority should be welcomed by the universities since they responded very favourably last year to the NRC initiatives in this area.

#### The Current Concern

Why is Council concerned about the level of research support in Canada? To understand the problem fully, it is necessary to look at the situation that prompted the June 1 announcements by MOSST. Industrial research is low in comparison to other countries. In addition, the gains made in promoting university research in the 1960's have been seriously eroded due to inflation in the 1970's. What does the future hold?

The figures shown in Part II of this paper give some measure of the possible consequences for the universities of restricted funding. The universities will likely be forced to reduce faculty and staff complement to live within their income. As unpleasant as that will be to the university community, an even more serious consequence may be that very few new scientists and researchers will be able to find positions in universities or elsewhere. Most of the faculty members of the universities and the scientists of research establishments in government and industry are below 45 years of age with years ahead of them before normal retirement. Because of the skewed age distribution and because of restricted funding for research in general and the universities in particular, Canada faces the serious problem of

<sup>1 &</sup>quot;Research and Development in Canada: A Discussion Paper", Ministry of State for Science and Technology, June 1, 1978

having a whole generation of scientists with no place to use their talents. In the long run this situation could deter young people from entering graduate school and embarking upon careers in research. Canada could end up with one generation of scholars with no positions and the next generation of students with no interest in research because they perceived no employment opportunities. Naturally enough, the universities would like to be able to hire young people to stimulate research and maintain scholarship. Indeed, the availability of some new blood each year is essential to the good health of the universities. However, the availability of researchers to the universities is only part of the real concern, namely that well-qualified research persons should be given opportunities somewhere in Canada because the country needs the emphasis on research.

It is essential that the research force in Canada be maintained and strengthened. There will be a critical need for renewal as the current researchers grow older. New manpower must be brought into the system through whatever initiatives are neces-

sary.

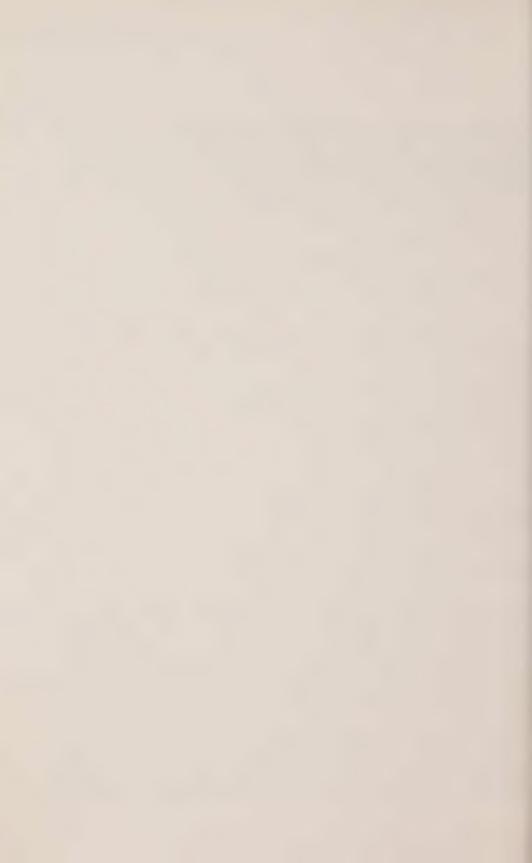
The important question at this time is whether in the opinion of the universities the new federal research initiatives are enough to alleviate their problems. If, through the increase in grants to the federal granting agencies and the industry-university schemes, the universities are able to hire enough young people in research positions one of Council's main concerns about the future will be removed. Council believes that collectively and individually the universities should be analyzing the new proposals of the Government of Canada in terms of how many research positions will be available in conjunction with the increased funding. If the number is small, the universities might consider asking the federal granting councils to seek funds for several hundred five-year research career awards to be granted competitively. The recipients could be free to choose a Canadian university or other research establishment as long as the area of research was one designated as a national priority.

As far as provincial support for research is concerned, it is clear from recent statements by the Premier of Ontario that the government is aware of the importance of research to a province whose economy is industrially based. Therefore, the possibility of further provincial initiatives in this area should not be discounted. Research could be stimulated in Ontario by several mechanisms including tax concessions to industry or by the establishment of a special industrial research fund by the province. Such a fund might be used to support projects which have been submitted jointly by industry and one or more universities. The projects themselves should, of course, be of direct importance to the industrial base of Ontario.

From the foregoing, it will be clear that Council has serious concerns about the future of research in the universities and in Canada as a whole. The results of the new federal government initiatives should be monitored very closely over the next two or three years. If the research targets are not being reached, governments should have no hesitation in taking further steps to ensure a satisfactory research effort. As far as the universities are concerned, Council is interested in hearing from them about the adequacy and the implications of the special measures proposed by MOSST. Are the universities prepared to accept the new role that is envisioned and can they accommodate to the implied shift towards more applied and less basic research?

On a final note, Council states its opinion that new funding from whatever source should not be used to promote graduate studies but to provide research associates and technicians. The graduate instructional enterprise does not need significant expansion at this time. The number of research positions must be increased so that persons who do graduate can contribute to the increased research effort so vital to the future of the country.

A university system without a high level of research cannot possibly fulfill its mandate to the public. However, as with the other academic functions of universities, it does not follow that all should be involved in research to the same extent. Despite the importance of promoting research in all universities, a measure of priority should also be given to the development of major research centres in universities with existing research strengths in the appropriate subjects.



# Part IV: Autonomy and Control: Structural Alternatives

During its 1978 hearings with the university community, Council was impressed, as never before, with the opposing views held by the institutions and provincial organizations alike concerning the appropriate roles and potential effectiveness of OCUA, the Council of Ontario Universities (COU), and COU's affiliates such as the Advisory Committee on Academic Planning and the Ontario Council on Graduate Studies. As well, opinions varied widely on the subject of the general policy development and approval mechanisms that have evolved in the Ontario university sector. Indirectly, responses of the institutions and provincial organizations to the specific questions and issues raised in this paper will provide commentary on the appropriateness of the structures which govern university affairs in Ontario.

An important characteristic of Ontario's universities is that most began as private institutions. Despite their having become predominantly dependent upon Government for financial support, the universities have not lost their individual traditions and characters, and have maintained very important links with the private sector. These links are vital to the health of our universities and our society. Individual and private giving permits the universities to offer a level of service that would be impossible without this source of revenue. Equally important are the special relationships that exist between the institutions and their local communities. Strong community involvement in the universities and equally strong university involvement in the local community are vital if the university is to retain relevance to the society it serves.

In terms of their degree of independence, the institutions currently fall somewhere between full autonomy and total Government control. Council's purpose, in this section, is to bring to the fore issues related to the structure and the policysetting processes as these affect the degree of independence enjoyed by Ontario's universities. However, to deviate momentarily for illustrative purposes, Council would point out that there are already a number of areas where a university's statutory independence to act is severely curtailed. An example with significance to the immediate fiscal future of the institutions concerns tuition fees. In effect, the determination of tuition fee levels has become a process in which these fees are treated as if they were a form of Provincial Government revenue: in recent years the Government has, de facto, set university tuition fees. This type of "lost" autonomy lies outside the realm of control structures which are discussed in this paper. Nonetheless, Council is aware of the extent to which controls of this nature are being imposed on the universities.

Council believes that it is important for all concerned to keep a watching brief on the extent to which a balance is maintained between public accountability and institutional autonomy. As well, Council has a particular interest in assessing the value of its current role, and how this might be adapted in response to current problems.

What may well be found, through institutional replies to Council's questions, is that current structures and controls at the system level are unnecessary, and that what is indeed needed is less external control and more institutional autonomy – a return of the universities to the private sector. Alternatively, there may be indications of a desire for full and direct central administrative and academic control of all institutions – a "University of Ontario" model. To Council it is obvious that the long history of continuity and gradual change in Ontario make it extremely unlikely that the structure and control of university affairs could undergo significant or rapid change. Hence Council now turns its attention to less radical options. Falling between the two examples mentioned above there are at least four, more moderate, structural arrangements: the current model; the current structure with OCUA discontinued; the current structure with a somewhat different role for OCUA involving

limited executive authority; and, finally, replacement of OCUA with a university grants commission.

#### The Current Structure

As mentioned earlier, the Ontario system has a rather singular arrangement at the government/university interface. The universities have virtually total autonomy in the area of academic affairs and are fully responsible for internal fiscal management. At the same time the institutions are almost totally dependent upon the Government for their operating finances. Public accountability for the significant level of support given to the universities is ensured through the allocative formula used to distribute funds and the procedures in place to regulate which programs shall be eligible for funding. Council sits, as a buffer body, between the institutions and the Government. Its role is manifold – developing and advising the Government on general policy issues as well as specific matters, promoting liaison, and at the same time keeping some distance, between Government and the universities, and maintaining a public interest overview of developments in Ontario universities.

A feature of the current arrangement is that through the presence of OCUA, and its advisory involvement in the policy development area, Government's decisions with respect to the university system are considerably more public than might otherwise be the case. In giving its advice, OCUA spells out fully the rationale underlying its conclusions and, if Government rejects Council's advice, reasons are usually given for the decision. Also, the current structure has appeal in that it has the flexibility to adapt, albeit gradually, to changes in the environment. For example, even in its brief life-span OCUA has taken on a considerably more interventionist role than that with which it began, and now has even gone so far as to set system objectives and the rules to be followed by institutions in achieving system goals.

On the other hand, the current structure might well be criticized on at least three grounds. First, the degree of autonomy enjoyed by the institutions might be seen in some quarters as a roadblock to effective and speedy system rationalization. Many believe that a great deal of rationalization is required in the system and that this indicates a need for a strong central authority to institute planned system-wide changes. Second, there is always the danger that Council's advice might not be sought on matters of precedence-setting importance. Third, and finally, because the structure is somewhat relaxed and because OCUA lacks executive authority, institutions may still approach Government directly for their own benefit. Government's response to direct requests might potentially be contrary to whatever advice OCUA might give in light of system-wide considerations.

Before proceeding to examine other structures which might be proposed for Ontario, Council would request responses to this analysis of the current arrangement. In particular, Council would like to know whether the university community and Government feel that the current structure can be maintained and at the same time hasten and improve changes directed toward effective system rationalization. What should be the functions of a buffer which lacks executive authority? OCUA is tending, more and more, toward active involvement in the decision-making process as evidenced by its new role in the graduate program funding approval process. Has this been desirable? Are there other areas in which OCUA should increase its activities without actually taking on executive authority?

#### **Abolishing the Intermediary Body**

There is, of course, always the option of discontinuing OCUA and leaving the institutions to deal directly with Government. In itself, this option would not necessarily alter the current degree of institutional autonomy or the latitude present in the system for local initiative and timely responses to local demands. To the extent

that OCUA provides a credible element of unbiased input to the decision-making process and assists in making the rationale for Government decisions more public, discontinuation of OCUA might jeopardize these features. Nonetheless, some institutions might feel that Government responses would be accelerated in the absence of an intermediary body and that their individual interests would be better served

by approaching Government directly with requests.

To explore this option in the clearest of possible terms, Council poses the following questions. Do the institutions see OCUA as a stumbling block between themselves and Government? In the absence of an intermediary body like Council, how would the decision-making process take account of the public interest and system needs? How would the interests of the public and the system be protected against the effects of special political pleading? Would system rationalization be more rapid and effective if handled directly by the Ministry of Colleges and Universities? Would more direct Government involvement in university affairs threaten institutional autonomy?

#### Limited Executive Authority for the Intermediary

This alternative and the next are put forward in response to criticism, received during Council's 1978 hearings, that the Ontario university system lacks leadership. If this criticism is well-founded, it implies that COU, because it is a voluntary association of institutions with differing vested interests, has severely limited effectiveness. For example, the collectivity is currently responsible for disciplinary planning of programs at the graduate level. If it is generally felt to be true that the system lacks leadership, it might, then, be construed that effective leadership should reside with OCUA, since OCUA might be able to be more decisive, particularly with respect to issues involving rationalization.

This option, then, posits a structure in which OCUA would be given limited executive authority for such specific matters as program approval, and would retain its advisory role vis-à-vis Government on major general issues such as total funding, accessibility, and the allocation of funds. Assessment of the need for programs and other factors of public interest would be conducted entirely by OCUA. The role of COU and its affiliates would be that of ensuring program quality.

Council has the impression that an approach of this type might find favour in some quarters, and hence poses the following, rather blunt, questions: What is the likelihood of Government giving OCUA even limited executive authority? Once given executive authority, could OCUA continue to act as a buffer and advisor with sufficient credibility in the eyes of both Government and the universities? Is the concept of "limited authority" valid – what clout would OCUA need to have to enforce compliance with its plans? Can executive authority for program approval be separated from authority to allocate funds? What impact would an increase in executive authority for OCUA have on institutional autonomy?

#### **University Grants Commission**

A university grants commission may take many forms. Its functions and authority may be strictly limited or very extensive. For the purposes at hand, Council sets as the essential difference between the last option and this one, the addition to the intermediary body's mandate of the authority to allocate funds among the institutions

In practice, a university grants commission of this sort would dilute current institutional autonomy to a considerable extent in that, through specific funding decisions, it would become involved in planning at both the system and institutional levels. It would determine how many, and what type of, programs and students to fund at each institution. It would have advisory capacity in the area of global grant

support and other major policy issues over which Government would retain control, such as financial assistance for students. Institutions would continue to be self-administered in terms of hiring, determining program content, admissions, and the like.

It must be clearly understood that, of the options considered, this represents the most radical departure from the present structure. Again, Council poses what it hopes are the key questions which must be asked if such a departure is contemplated. Would a grants commission model secure system rationalization more effectively than the other options involving an intermediary body? Is the price, in terms of university autonomy, too high? Is it reasonable to expect that any government in Ontario would ever approve this kind of approach given Ontario's history of autonomous institutions? Could a university grants commission retain credibility as an unbiased advisor to Government? In the Ontario context, would it be possible for an intermediary body of this type to retain an arm's length relationship with Government?

In the foregoing, Council has outlined very briefly the advantages and disadvantages of four possible structures at the interface between the university system and Government. It is quite clear that the university community is also exploring this area, and Council will be eager to hear specific responses to the questions it has posed.

# **Epilogue**

In summary, Council believes that the critical issues now facing the university system involve the level of private and public financial support, the level of student demand for undergraduate, professional and graduate study, the maintenance of an adequate research capability, the rationalization of operations and aspirations in line with the level of service required, and the maintenance or alteration of the current structures of autonomy and control. It is the responsibility of the universities, individually and collectively, to face these issues. In the final analysis, the decisions taken by the institutions will determine the quality of Ontario's university

system.

Changing circumstances will not affect the goals for the universities described in Part I of this paper but they may lead the universities to modify their emphases and the way in which they pursue the same basic goals. For example, the goal of developing a more educated populace may become less a matter of large numbers of full-time undergraduate students than has been the case in recent years. The goal of educating and training people for the professions may have to be pursued less indiscriminately than in the past with more attention being given to the relationship between overall university system output and employment prospects for graduates. Providing for study at the highest intellectual level will remain a key goal but may involve fewer graduate students and, indeed, might yield in priority to the system's need for a balanced age distribution among university researchers. Pursuit of the goal of conducting research may well require the universities to become more involved in development and evaluation without jeopardizing their very important basic research role. Finally, the goal of community service may come to be pursued by the universities through the development of closer ties with the community at large and an even greater volume of direct service to the private sector and to government at all levels.

Council is confident that Ontario's universities will succeed in their ongoing pursuit of the goals for the system and looks forward with great anticipation to its 1979 hearings with the university community at which time the issues and questions

raised in this paper will be discussed.



# **Appendices**

#### Appendix II-1

ODEL 1

#### Sensitivity of Models to Changes in Parameter Values

Some general comments can be made about the sensitivity of these models to changes in the initial values of the parameters. If inflation is assumed to be at an 7% level rather than the initial 6% revenue increases to the university system will be from 0.8% to 1.0% higher than those generated by the models. If Government grants pick up the entire additional 1% inflation in revenue they will be 1.3% higher than at present.

An enrolment decline of 4% per annum will cause an additional 1% decrease in tuition fee revenue. In the case where Government grants are related to enrolment (Model 2), they too will fall. The effect on university revenues can be to have increases up to 1.4% lower than indicated in the base case. Conversely if enrolment falls less than 3%, fee income will be higher and the grants in Model 2 will be higher

Tuition fee increases provide a means by which university revenues may rise. If tuition fee rates rise by the same percentage as the increase in grants, they may generate up to an additional 1.2% increase in total university revenues per annum.

1070\_80

1980-81

Appendix II-2
Implications of Alternative Funding Models

MODEL 1	1979-00	1900-01	1501-02
1. Benchmark Expenditure (\$m.) (from Table 5)	1008.1	1085.8	1169.5
2. Revenue (\$m.) (from Table 2)	907.8	1041.4	1098.1
3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue)	20.3	44.4	71.4
Illustrative options available to university system to match shortfall:			
<ul> <li>(a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR</li> </ul>	2.5	5.1	7.5
(b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR	10.2	21.1	32.0
<ul> <li>(c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally</li> </ul>	2.0	4.1	6.1
5. Accumulated number of <i>faculty</i> positions implied by each option if cuts are made from positions:			
(a) (b) (c)	305 0 244	622 0 500	915 0 744
6. Student-faculty ratios implied by each option:			
(a)	15.0	15.0	14.9 13.8
(b) (c)	14.7 15.0	14.2 14.8	14.7

1981-82

MODELO	1979–80	1980-81	1981-82
MODEL 2			
1. Benchmark Expenditure (\$m.) (from Table 5)	1008.1	1085.8	1169.5
2. Revenue (\$m.) (from Table 3)	977.3	1020.3	1065.2
3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue)	30.8	65.5	104.3
Illustrative options available to university system to match shortfall:			
<ul> <li>(a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR</li> </ul>	3.8	7.5	11.0
(b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR	15.5	31.1	46.8
<ul> <li>(c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally</li> </ul>	3.1	6.0	8.9
<ol><li>Accumulated number of faculty positions implied by each option if cuts are made from positions:</li></ol>			
(a) (b)	464 0	915 0	1342
(b) (c)	378	732	1086
6. Student-faculty ratios implied by each option:			
(a) (b)	15.2 14.7	15.4 14.2	15.5 13.8
(b) (c)	15.1	15.1	15.1
MODEL 3	1979–80	1980–81	1981–82
MODEL 3  1. Benchmark Expenditure (\$m.) (from Table 5)	1979–80 1008.1	1980–81	1981–82
1. Benchmark Expenditure (\$m.) (from Table 5)	1008.1	1085.8	1169.5
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:	1008.1 966.4	1085.8	1169.5
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR	1008.1 966.4	1085.8	1169.5
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff	1008.1 966.4 41.7	1085.8 993.0 92.8	1169.5 1020.9 148.6
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall,	1008.1 966.4 41.7	993.0 92.8 10.6	1169.5 1020.9 148.6
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR  (c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally 5. Accumulated number of faculty positions implied by each option if cuts are made from positions:	1008.1 966.4 41.7 5.2 21.0 4.1	1085.8 993.0 92.8 10.6	1169.5 1020.9 148.6 15.7 66.6
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR  (c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally 5. Accumulated number of faculty positions implied by	1008.1 966.4 41.7 5.2 21.0 4.1	1085.8 993.0 92.8 10.6 44.1 8.5	1169.5 1020.9 148.6 15.7 66.6 12.7
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR  (c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally 5. Accumulated number of faculty positions implied by each option if cuts are made from positions:  (a)  (b)  (c)	1008.1 966.4 41.7 5.2 21.0 4.1	1085.8 993.0 92.8 10.6 44.1 8.5	1169.5 1020.9 148.6 15.7 66.6 12.7
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR  (c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally 5. Accumulated number of faculty positions implied by each option if cuts are made from positions:  (a)  (b)  (c) 6. Student-faculty ratios implied by each option:  (a)	1008.1 966.4 41.7 5.2 21.0 4.1	1085.8 993.0 92.8 10.6 44.1 8.5	1169.5 1020.9 148.6 15.7 66.6 12.7
1. Benchmark Expenditure (\$m.) (from Table 5) 2. Revenue (\$m.) (from Table 4) 3. Accumulated shortfall (\$m.) (Benchmark expenditure less revenue) 4. Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefit expenditures if these absorb the entire shortfall, OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall, OR  (c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally 5. Accumulated number of faculty positions implied by each option if cuts are made from positions:  (a)  (b)  (c) 6. Student-faculty ratios implied by each option:	1008.1 966.4 41.7 5.2 21.0 4.1	1085.8 993.0 92.8 10.6 44.1 8.5	1169.5 1020.9 148.6 15.7 66.6 12.7

#### Appendix III-1

Table A

#### **Total Undergraduate Enrolment (FFTE's)** % Change from 1976-77 1976-77 1977-78 - 5.4 3635.8 3439.4 Brock - 7.2 10728.7 9956.9 Carleton - 0.8 10147.7 10062.2 Guelph 3580.5 3.2 3469.6 Lakehead - 7.4 3761.2 3482.0 Laurentian 464.0 - 5.1 488.9 Algoma 641.9 571.5 -11.0Nipissing -27.296.5 132.6 Hearst 10457.5 -2.810759.6 McMaster 12562.2 -3.012944.1 Ottawa 10543.1 -1.3Queen's 10683.1 - 4.0 31920.9 30643.6 Toronto 2813.2 -0.52826.4 Trent 0.2 13829.8 13808.2 Waterloo -3.118385.4 17814.0 Western

# Total Note:

Windsor

York

Wilfrid Laurier

All tables exclude the Theological Colleges which are funded at 50% of the Provincial Operating Grant

4527.0

9764.1

16364.4

164989.6

4441.4

9089.2

15446.0

159293.0

- 1.9

- 6.9

- 5.6

-3.5

Table B

Undergraduate Enrolment								
	Arts/Sci	ence	Professi	ional	Othe	er	Tot	al
	No.	%	No.	%	No.	%	No.	%
1975–76	92015.0	62.8	50745.9	34.6	3742.6	2.6	146503.5	100
1976–77	92276.3	62.1	52938.8	35.6	3410.1	2.3	148625.2	100
1977–78	87062.4	60.2	53756.1	37.2	3556.4	2.5	144374.9	

#### Note:

- 1. These figures exclude York because it reports enrolment only as Unspecified Undergraduate and
- 2. The 1975-76 enrolment figures are FTE enrolment and the 1976-77 and 1977-78 enrolment figures are FFTE enrolment. The 1975-76 and 1976-77 figures are Final Actuals but the 1977-78 figures are those of the December count, including Anticipated Actual Winter Term enrolment.

	Table C		
	Enrolment		
	1976–77	1977–78	% Change
University FFTE Undergraduates	164989.6	159293.0	- 3.5
Ryerson (FFTE's)	9584.5	10389.1	8.4
OCA (FFTE's) CAAT's (Full-Time	1603.4	1651.5	3.0
Post-Secondary)	58757.0	61094.0	4.0

Table D							
First Year Intake of Full-time Undergraduates (Fall)							
	1974–75	1975–76	1976–77	1977–78			
Brock	691	805	860	723			
Carleton	2386	2510	2625	2436			
Guelph	2372	2102	2408	2302			
Lakehead	610	615	713	703			
Laurentian	732	769	861	719			
Algoma	104	104	98	90			
Nipissing	103	112	108	71			
Hearst	16	12	17	7			
McMaster	2820	3102	3001	2831			
Ottawa	2261	2026	2059	2188			
Queen's	2119	2288	2244	2151			
Toronto	7419	7300	7387	7495			
Trent	761	844	895	757			
Waterloo	3997	3954	3989	3753			
Western	4820	4831	4624	4575			
Wilfrid Laurier	818	888	955	1001			
Windsor	1612	1935	1909	1553			
York	3327	3697	3830	3182			
Total	36968	37894	38583	36537			
(% change)	(2.5	) '(	(1.8)	(-5.3)			

Note:

These figures are Freshmen Intake only. They do not include first-year intake into Diploma, Non-Degree or Selected Programs.

## Appendix III-2

Table A  Total Graduate (FTE) Enrolment (Fall and Summer)						
Brock	59.3	77.0	74.1	60.2		
Carleton	889.3	1150.2	1133.3	1089.8		
Guelph	608.1	661.0	649.4	593.6		
Lakehead	123.1	143.9	158.2	148.1		
Laurentian	62.9	68.0	65.9	72.6		
Algoma						
Nipissing	***************************************	_				
Hearst		-				
McMaster	1461.6	1451.4	1347.9	1246.7		
Ottawa	1921.4	1984.1	2102.3	1907.5		
Queen's	1228.5	1225.5	1235.1	1255.9		
Toronto	4985.4	5045.2	4901.8	4348.1		
Trent	13.5	16.2	21.7	26.4		
Waterloo	1242.7	1396.5	1311.7	1135.9		
Western	1621.1	1627.2	1614.4	1648.5		
Wilfrid Laurier	228.1	253.3	322.7	324.8		
Windsor	528.6	595.0	595.5	642.9		
York	1393.4	1547.7	1605.3	1456.5		
OISE	1565.4	1573.6	1667.0	1683.8		
Total	17932.4	18815.8	18806.3	17641.3		

Table B  Total Full-time Graduate Enrolment (Fall)						
Brock	56	71	69	56		
Carleton	710	926	899	875		
Guelph	573	622	611	566		
Lakehead	78	95	100	88		
Laurentian	41	44	41	42		
Algoma		-				
Nipissing	-		_	_		
Hearst						
McMaster	1262	1239	1155	1064		
Ottawa	999	1055	1196	1138		
Queen's	998	1002	1050	1025		
Toronto	3927	3942	3891	3777		
Trent	12	15	19	24		
Waterloo	1086	1213	1146	979		
Western	1503	1517	1493	1509		
Wilfrid Laurier	171	193	249	242		
Windsor	417	469	459	510		
York	1073	1176	1197	1080		
OISE	505	542	546	557		
Total	13411	14121	14121	13532		

		Table C				
Total Part-time Graduate (FTE) Enrolment (Fall)						
	1974–75	1975–76	1976–77	1977–78		
Brock	3.3	6.0	5.1	4.2		
Carleton	177.3	221.7	228.3	208.8		
Guelph	35.1	39.0	38.4	27.6		
Lakehead	21.6	25.5	23.7	27.6		
Laurentian	21.9	24.0	24.9	30.6		
Algoma		mount				
Nipissing						
Hearst	warmen .					
McMaster	199.6	212.4	192.9	182.7		
Ottawa	581.4	608.1	592.8	515.5		
Queen's	135.0	138.0	124.5	129.9		
Toronto	596.4	611.7	543.3	552.6		
Trent	1.5	1.2	2.7	2.4		
Waterloo	148.2	172.5	158.7	150.9		
Western	111.6	103.2	113.4	135.0		
Wilfrid Laurier	20.1	19.8	34.2	31.8		
Windsor	111.6	126.0	136.5	132.9		
York	317.4	371.7	408.3	376.5		
OISE	474.9	453.6	525.0	550.8		
Total	2956.9	3134.4	3152.7	3059.8		

		Table D				
Full-time Graduate Enrolment Fall Intake – Master's, Diploma and First Stage Doctoral						
	1974–75	1975–76	1976	-77 1977-		
Brock	15	43	3(	26		
Carleton	356	473	373	3 386		
Guelph	206	211	198	3 182		
Lakehead	52	76	3(			
Laurentian	25	18	17	7 28		
Algoma	***************************************			-		
Nipissing				-		
Hearst	numbel					
McMaster	512	446	39-	364		
Ottawa	397	393	453			
Queen's	521	416	446			
Toronto	1317	1494	1422			
Trent	10	6	11			
Waterloo	351	373	299			
Western	637	645	632			
Wilfrid Laurier	101	112	115			
Windsor	199	235	255			
York	450	479	476			
OISE	160	184	181			
Total	5309	5604	5335	5 4867		
Total Annual % Cha	nge	(5.6)	(-4.8)	(-8.8)		

Table E

Full-time Graduate Enrolment
Fall Intake – Second Stage Doctoral

	1974–75	1975–76	1976–77	1977–78
Brock	0	0	0	0
Carleton	40	53	59	40
Guelph	15	20	33	23
Lakehead	0	0	0	0
Laurentian	0	0	0	0
Algoma			-	
Nipissing		_	*********	
Hearst	-		morrane.	
McMaster	136	91	101	79
Ottawa	66	56	47	55
Queen's	81	94	93	73
Toronto	211	475	414	399
Trent	0	0	0	0
Waterloo	75	76	78	56
Western	117	116	102	81
Wilfrid Laurier	0	0	0	0
Windsor	34	42	41	11
York	91	130	42	29
OISE	101	87	104	90
Total	967	1240	1114	936
Total Annual % Change	(	28.2)	-10.2)	(-16.0)



Council's Advisory Memoranda



# 78-I Government Support for the University System in 1979-80

In this Memorandum, Council tenders its funding advice for the Ontario university system in 1979–80 under two master headings, Operating Grants and Capital Assistance. Advice this year is submitted approximately two months earlier so that Council's recommendations may be available as Government begins its consideration of 1979–80 funding levels.

### **Operating Grants**

#### 1978–79 Government Support in Retrospect

The operating grants provided by Government for 1978–79 failed to cover the costs of Council's basic funding objectives for that year, which were: (1) "to offset inflationary trends", (2) "to maintain existing levels of service", and (3) "to accommodate predicted enrolment increases at the undergraduate level". Council has recalculated its 1978–79 funding level exercise using factors that more closely reflect the situation of the universities at the beginning of the funding year concerned.

The major changes introduced into Council's retrospective analysis were an allowance for the unexpected drop in enrolment levels experienced by the system in 1977–78, and the expectation, shared by the Council of Ontario Universities (COU), that there will be a further decline in 1978–79. Council appreciates the work done by COU over the past year in developing a non-salary Ontario university price index which was also employed in the review exercise.

Council's retrospective analysis yields a gap between the recalculated cost of its basic funding objectives and Government's targeted grant expenditures which ranges between approximately \$7.5 million and \$10 million. To Council this represents considerable underfunding of the university system. Conclusions about how the universities will respond to the 1978–79 level of support would be premature. However, preliminary indications drawn from Council's current hearings with the university system suggest that this shortfall has occasioned stress in areas of non-salary expenditures, particularly with respect to equipment and library purchases. In addition, it is evident that most salary increases in 1978–79 generally will not match inflationary increases. Moreover, it is likely that there will be reductions in faculty and staff complements.

#### Funding Objectives, 1979–80

In the setting in which Council makes its recommendations for 1979–80, one can no longer expect that the existing university system can be fully sustained in the face of price increases, enrolment declines and the current climate of budgetary restraint. Changing circumstances lead Council to espouse somewhat different funding objectives for 1979–80. These are: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

For 1979–80, Council's traditional first objective of offsetting inflationary trends takes on a new meaning, namely that responses to inflationary pressure must be in keeping with current circumstances that require the exercise of moderation in both the private and public sectors of society. Council's second and third objectives have been modified to recognize the unpredicted enrolment decline experienced by the system in 1977–78 and the expectation that this marks the first year of a new enrolment trend.

#### Costing Council's Basic Funding Objectives for 1979-80

The method for costing Council's basic funding objectives for 1979-80 again closely parallels those undertaken for 1977-78 and 1978-79. There are changes in

some of the percentages applied to the figures used in the base and in some of the elements used to calculate that base. Each change is explained in the following description of Council's exercise, also displayed in Table I. This Table incorporates the threefold division of university system outlays consistently used by Council in its funding advice, namely, salaries, fringe benefits, and non-salary expenditures.

Column 1: The 1978–79 Base – Council begins its exercise by establishing a base which represents estimated university system expenditures in 1978–79. For purposes of its funding level advice Council continues to assume for 1978–79 that university system expenditures in that year will equal Council's estimate of system revenue. By excluding from the base the 1978–79 funding shortfall identified above, Council simply recognizes the fiscal reality with which the university system must contend as a result of Government's budgetary policy for 1978–79. Council's stance on this issue should not be interpreted as implying that Government support for the university system in 1978–79 is adequate. Indeed Council believes that the level of Government grants in the current year is causing genuine difficulties.

Council's estimate of total university system operating revenues and (for purposes of the calculations at hand) expenditures is \$936.1 million. In arriving at this estimate, Council has reviewed system revenues in 1977–78 and institutional revenue estimates for 1978–79. (For further details see Appendix I.) As in Advisory Memoranda 76–III and 77–III, the total of \$936.1 million is distributed among the expenditure categories according to the percentage composition of expendi-

tures contained in 1978-79 institutional budgets.

The institutions whose expenditures are included in the base are the fifteen provincially-assisted universities, the Laurentian affiliates, the church-related colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art.

Column 2: Inflationary Trend Costs — In past advice Council has utilized the targets of the anti-inflation program to arrive at factors for calculating the cost of offsetting inflationary trends in salaries and fringe benefits.

Table I  The Cost of the Basic Funding Objectives (\$ millions)							
	1	2	3	4	5	6	7
	1978–79 Base	In- flationary Trend Cost	Service Level Cost	Effi- ciency/ Rationali- zation Factor	Predicted Enrolment Change	Stabili- zation Factor	Cost of Basic Objectives
Expenditures Salaries Fringe Benefits Non-Salary	670.6 78.2 187.3	40.2 4.7 13.9	14.2 1.7 5.0	- 5.1 - 0.6 - 1.4	- 21.6 - 2.5 - 6.1	10.8 1.3 3.1	709.1 82.8 201.8
TOTAL	936.1	58.8	20.9	- 7.1	- 30.2	15.2	993.7

Includes the provincially-assisted universities and affiliates, church-related Colleges, Ryerson, OISE and OCA

Council's approach to costing its first objective for 1979-80 must be altered for two reasons. First, because fiscal year 1979-80 falls into the post-control period it is no longer possible to use the targets of the anti-inflation program. Second, Council has redefined its first objective to take into account the need for all sectors of society to exercise moderation in the face of inflationary pressures.

In its search for a factor to represent appropriate cost increases related to inflation in salaries and fringe benefits for 1979–80, Council was greatly aided by COU. The following extract is taken from COU's 1978 brief, *The Price of Restraint:* 

"Projections for inflation and increases in average salary levels for 1979–80 are difficult to develop and are inherently unreliable. To a large extent, the economic climate of the first few years of the next decade will be determined by the successes and failures of the immediate post-control period. In the absence of reliable indicators, we are assuming what we believe to be a conservative figure of 6% per year as the estimated level of inflationary increase on salaries in the Ontario university sector."

In the same document COU concluded from its own survey of fringe benefit costs that, although the rate of increases has been running ahead of salary cost increases, "there is no pattern at all in the reasons for increases in the cost of benefits. We are therefore predicting that benefit costs will increase at the same rate as total salary and wage expenditures for 1979–80."

Council agrees entirely with COU about the unreliability that would attach to any inflation forecasts for 1979–80 that could be developed now. Council applauds COU's responsible stance in choosing its 6% factor and, indeed, adopts the same figure for use in the current funding level exercise to represent an offset for in-

flation in salaries and fringe benefits in 1979-80.

With respect to allowances for inflation in non-salary expenditures, Council has been aware that inflation in this area has exceeded the CPI growth rate for the past several years. In 1977–78 the Committee of Finance Officers – Universities of Ontario (COFO-UO), under the auspices of COU, undertook to develop an Ontario university price index for non-salary items (OUNSPI). The preliminary results of the COFO-UO survey indicate that from 1971–72 through 1977–78 the annual percentage change in OUNSPI averaged 23.2% higher than the annual percentage change in the Consumer Price Index.

With respect to offsetting inflationary trends in the non-salary area for 1979–80 Council has chosen to use a factor of 7.4% as recommended by COU in line with its findings concerning university non-salary cost increases. The 7.4% is derived by increasing Council's inflationary factor of 6% for 1979–80 by 23.2%. Council believes that this estimate may prove to be quite conservative, particularly given the necessarily high proportion of imported equipment and library purchases and

the decline in the value of the Canadian dollar.

Column 3: Service Level Costs — In column 3 Council continues to apply to salaries and fringe benefits a factor of 2% to allow for the net cost of progression through the ranks or towards the job rate and, for furniture and equipment replacement, a 2.5% factor for the non-salary area. The rationale on which these factors are based remains unchanged from that first described in Advisory Memorandum 76–III.

Column 4: Efficiency/Rationalization Factor — In past years Council used a negative "efficiency factor" when costing its basic funding objectives to reflect the expectation of productivity gains which would lie within the reach of the system were it in steady state. For 1976–77 a factor of –1.5% was chosen, and in each

of the two succeeding years -1.0% was used. Although the efficiency factor continues to receive criticism from the university system, COU's 1978 brief to Council contains a rationale for calculation of this element of the funding exercise which yields for 1979–80 a factor of -0.4%.

Council believes that the accumulated effects of the efficiency discounts have reduced the system's capacity to make further productivity improvements. Also, the productivity improvements that might be expected from a system which is in steady-state, or growing, become much more difficult when the system enters a

period of enrolment decline.

The current environment accordingly leads Council to moderate its expectations of productivity gains. However, the same environment stimulates new expectations of rationalization. Maintenance of quality scholarship may well hinge on rationalization of institutional and system practices that will involve clear departures from tradition. Council has been discussing such departures with the institutions since it issued its call for 1978 briefs in October, 1977, and expects to publish some views on these subjects before the end of the current year.

Council is anxious not to act precipitously in this regard, but feels it imperative to express some judgement of expected rationalization as well as efficiency gains for 1979-80 in quantitative terms. With these considerations in mind, a factor of

-0.7% has been applied in column 4.

Column 5: Predicted Enrolment Change – A complication in Council's costing exercise is the enrolment projection for 1979–80, particularly in that this forecast must be made before universities begin enrolling students in the base year, 1978–79.

Data for 1977–78 indicate an undergraduate enrolment decline of approximately 2.7%, with at least half of the decline occurring in the freshman year. Currently available data on numbers of applications and applicants for first year entry in the fall of 1978 are significantly below last year's level suggesting that 1978–79 overall undergraduate enrolment will again be below the preceding year, and Council estimates this decline to be in the neighbourhood of 3%. In making its 1979–80 undergraduate enrolment forecast Council has reviewed the projections of Year 5 (grade 13) enrolments, the flow of freshmen through succeeding years of study and recent experience in part-time enrolment levels. Taking these factors into account Council predicts that total undergraduate enrolment will decline by 3.0% in 1979–80 as compared with 1978–79.

During the past two years Council's funding level advice has omitted reference to changes in the level of graduate enrolment for two reasons: (1) the previous funding objective was to accommodate enrolment increases only at the undergraduate level, and, (2) the graduate funding freeze was in place during 1977–78 and 1978–79. Because 1978–79 marks the final year of the period of formula suspension with respect to graduate work, Council now must also predict the graduate enrolment change that will occur in 1979–80 as compared with 1978–79. In arriving at its estimate of 1979–80 graduate enrolment change Council's best estimate is that graduate enrolment will decline at the same rate as undergraduate enrolment.

ment in 1979-80.

A factor of -3% is, therefore, applied in column 5.

Column 6: Stabilization Factor – In each of the past three years Council has applied a negative "excess capacity factor" which amounted to 50% of forecast enrolment growth for 1976–77, 1977–78, and 1978–79. The application of this negative factor rested primarily on the assumption that the capacity of the university system as a whole permitted the accommodation of additional enrolment at a cost lower than average cost.

When Council advised Government on funding for the system in 1978-79 (Ad-

visory Memorandum 77–III) it introduced the concept that discounting enrolment change during a period of growth carried with it an implicit obligation to stabilize funding with respect to enrolment change in a period of decline. On March 23, 1977, in a letter to the Chairman of Council the Minister responded to this principle in the following words: "I note particularly in the introduction to your Third Annual Report your request of this government, in accepting the marginal cost of growth, to also accept a similar marginal cost approach to grant reduction when enrolment declines. I can assure you that I support this concept and will endorse its acceptance by the government."

Accordingly, Council applies a 50% stabilization factor in column 6 in response

to the 1979-80 projected enrolment decline of 3%.

Column 7: Cost of the Basic Objectives – The final column of Table I simply adds to column 1 the sum of the positive and negative figures that appear in columns 2 through 6. The resulting grand total of \$993.7 million is Council's best estimate of the cost of its basic objectives in funding the provincially-assisted universities, church-related and affiliated colleges, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art in 1979–80. The \$993.7 million represents a 6.15% increase over Council's estimate of total operating revenues in 1978–79, and Council believes that an increase in university operating expenditures of this magnitude would strike an appropriate balance between restraint and system maintenance in 1979–80.

#### The Potential Cost to Government of Council's Basic Funding Objectives

The potential cost to Government of Council's basic funding objectives is shown in Table II. It is obtained by deducting from the total cost of \$993.7 million Council's estimates of fee revenues at 1978–79 rates and other revenues. The fee deduction of \$137.6 million is based on estimated 1978–79 fees of \$139.8 million reduced for Council's predicted percentage decrease in undergraduate and graduate enrolment in 1979–80. Also included in the \$137.6 million is an additional estimated \$2 million accruing from the higher formula fee for visa students, which increases the three-year visa student differential formula fee revenue to a total of \$6 million.

The figure of \$60.8 million for other revenues given in Table II represents a \$3 million increase over Council's estimate of \$57.8 million which was used in the base for 1978–79. Council has decided to increase this figure to take into account

the recent evidence of moderate growth in other revenues.

Table II		
Potential Cost to Government of Council's Basic Provincially-Assisted Universities, Ryerson, O	Funding Objectives for ISE and OCA – (\$ mill	or 1979–80: ions)
Cost of Basic Funding Objectives (Table I, Column 7)		993.7
Deduct: Tuition and Other Fee Revenue	137.6	
Other Revenues	60.8	198.4
Potential Cost to Government of Basic Funding Objectives		\$795.3
(Percentage increase in grants)		(7.7%)

Table II indicates that if Council's basic funding objectives are to be met in 1979–80, the potential cost to Government is \$795.3 million. This involves a 7.7% increase over the 1978–79 total of \$738.5 million that was made available by the Government in formula and non-formula grants to the institutions covered by Council's costing exercise. This would be the cost to Government were existing tuition fee levels to remain unchanged in 1979–80.

#### **Additional Funding Needs**

Recommendations on additional funding needs relate to those special institutions and policy matters which are excluded from Council's basic costing exercise. In Council's advice for 1978–79, there were two areas of special funding: an initial instalment of funding related to the then incomplete study of the incremental costs of existing bilingual activities, and provision of a grant-in-aid to the Bar Admission Course of the Law Society of Upper Canada.

Government responded positively to Council's recommendation and, with particular reference to the incremental costs of existing bilingualism programs, granted an additional \$1 million which has been included in the 1978–79 base used in the foregoing basic costing exercise. The study of incremental bilingualism costs was completed in the Fall of 1977.

Council estimates that the funding need generated by (1) the final instalment required to align grants with the incremental cost of bilingualism (as adjusted with respect to the factors used in the 1979–80 funding level exercise) combined with (2) the provision of a grant-in-aid for the Bar Admission Course, will amount to \$1.5 million in 1979–80.

#### Funding Recommendations for 1979–80

The basic costing exercise undertaken in this Memorandum indicates a potential cost to Government of \$795.3 million in 1979–80. This represents a 7.7% increase over the 1978–79 total of \$738.5 million made available by Government in the form of formula, graduate, supplementary, bilingualism and Northern Ontario grants to the fifteen provincially-assisted universities, affiliated and church-related colleges, Ryerson, the Ontario Institute for Studies in Education, and the Ontario College of Art.

Council notes again that the above recommendations imply a 1979–80 revenue increase of 6.15% for the institutions.

Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

OCUA 78-1

FUNDING LEVEL FOR 1979-80 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES, RYERSON, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION AND THE ONTARIO COLLEGE OF ART

THAT the 1978–79 Government expenditures of \$738.5 million on behalf of the provincially-assisted universities, church-related colleges and affiliates, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art be increased to provide, through grant increases, or through grant and formula fee increases compensated by student assistance, a 1979–80 funding level of \$795.3 million.

With respect to the funding levels indicated in this Memorandum, Council's position remains that the relevant mix of grants, fees and student assistance is a matter of

Government responsibility. Nonetheless, Council wishes to caution the Government against instituting undifferentiated across-the-board formula fee increases in 1979–80. If fees are to be increased Council urges that the increases be differentially applied by program (for example with small increases for Arts and Science and larger ones for professional and higher cost programs).

As in previous years, the grant-in-aid to the Bar Admission Course and the upward adjustment to the bilingualism grant are excluded from Council's basic funding exercise. Council recommends to the Minister and the Lieutenant Governor in

Council:

OCUA 78-2 ADDITIONAL FUNDING FOR 1979-80 FOR EXISTING BILINGUALISM PROGRAMS AND THE BAR ADMISSION COURSE

THAT \$1.5 million be provided in 1979–80 to cover the second and final instalment in recognition of the documented incremental costs of existing bilingualism programs, and a grant-in-aid for the Bar Admission Course.

#### **Capital Assistance**

Again for 1978–79, funding available for capital assistance has been severely limited. The \$8.0 million originally announced by the Minister for new capital projects was subsequently reduced to \$4.0 million in order to meet government's fiscal requirements. Even with an additional \$0.1 million that is provided specifically for energy management projects, total capital funding including any new construction projects falls well short of Council's recommendation that \$14.5 million should be made available for major renovation, alteration and replacement projects in 1978–79. The severity of this underfunding as well as the shortfall in previous years can be readily seen when this \$4.1 million capital funding is compared with the university requests of \$54.6 million for specific capital needs in 1978–79.

In its funding advice for 1978–79, Council stated its conviction that funds needed for major renovations, alterations and replacements are related to the value of the space inventory. Council remains convinced that a minimum level of 1% of the value of the space inventory is necessary if the Government's heavy investment in university capital facilities is to be maintained. This minimum level has not been provided in recent years. For 1979–80, Council again selects 1% of the value of the space inventory at \$85 per net assignable square foot as the appropriate level for such projects. It should be noted that this amount makes no provision for new

construction projects that add to institutional space.

Accordingly, Council recommends to the Minister and to the Lieutenant Governor in Council:

OCUA 78-3 LEVEL OF SUPPORT FOR MAJOR RENOVATIONS, ALTERATIONS, AND REPLACEMENT PROJECTS IN 1979-80

THAT funds for capital assistance in 1979-80 be \$17.9 million for major projects plus any amount necessitated by carryovers and new construction.

W. C. Winegard Chairman

May 25, 1978

#### Appendix to Advisory Memorandum 78-I

The starting point for Council's funding advice is the determination of a 1978–79 base. For purposes of the exercise Council assumes that system expenditures in 1978–79 will equal total revenues, and estimates that system operating revenues will total \$936.1 million. Accordingly, this figure is entered in Column 1 of Table I to represent total operating expenditures in 1978–79.

Table A-I provides a breakdown of 1978-79 revenues by type of revenue.

#### Formula and Non-Formula Grants

The figure of \$738.5 million for formula and non-formula grants is the sum of: \$735.9 million (the 1978–79 expenditure target of \$736.4 million announced by the Minister on October 12, 1977 less \$.5 million for the Bar Admission Course); \$1 million subsequently allocated as a first instalment of additional funding to recognize the differential costs of existing bilingual programs; and, \$1.6 million with respect to Nursing at Ryerson which will in future be funded through the Operating Grants Formula and no longer through Ministry line item grants.

#### **Other Revenues**

The other revenue figure of \$57.8 million is composed of \$15.8 million in Municipal tax grants (\$8.3 million) and Ministry line item grants (\$7.5 million), plus an estimated \$42.0 million in other sources of operating revenue. The latter figure assumes that actual other revenues in 1976–77 and anticipated other revenues in 1977–78 will be constant for 1978–79.

#### **Tuition and Other Fees**

The figure of \$139.8 million in Table A–I is derived from a 1977–78 base of \$141.5 million adjusted downward for an estimated 3% decline in undergraduate enrolment and increased to reflect \$2 million in additional revenue related to differential fees for visa students in 1978–79.

Table A-I	
University System Revenues 1978–79 Estimate (\$ millions)	
Formula and Non-Formula Grants* Tuition and other Fees Other Revenues	738.5 139.8 57.8
TOTAL	936.1

<sup>\*</sup> Excluding Ministry line item grants and Bar Admission Course grant-in-aid.

# 78-II The Ontario Graduate Scholarship Program, 1979-80

In this Memorandum, Council advises on the scholarship eligibility, number of awards, and the level of stipend in the Ontario Graduate Scholarship Program for 1979–80.

#### **Scholarship Eligibility**

For the last three years, Council has recommended that the Ontario Graduate Scholarship Program be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for scholarship applications. This recommendation has not been accepted in the past by the Government. Present regulations require that a landed immigrant must have held that status for at least two years as of the application closing date to be eligible to compete with Canadian citizens. These rules, therefore, remain more restrictive than those of the federal scholarship programs of the National Research Council, Canada Council, and the Medical Research Council.

Council reiterates its view put forward in previous Advisory Memoranda on graduate scholarships, namely that there should be equitable treatment of landed immigrants and citizens. This is a position supported by both the Ontario Graduate Scholarship Selection Board and the Ontario Council on Graduate Studies. In making its recommendation, Council is not only attempting to continue to seek equity between landed immigrants and citizens, but is again registering its concern that highly qualified landed immigrants are potentially eliminated by the present regulations, thereby reducing the quality of the competition.

Council, in the light of recent tightening of immigration requirements, urges the Government to reconsider the present regulations concerning the scholarship eligibility of landed immigrants, and accordingly, recommends to the Minister:

## OCUA 78-4 (77-1) (76-2) (75-3) ONTARIO GRADUATE SCHOLARSHIP PROGRAM ELIGIBILITY

THAT, the Ontario Graduate Scholarships be open equally to Canadian citizens and to persons who hold landed immigrant status as of the official annual closing date for applications, it being understood that this provision applies similarly to institutional nominees.

The special category of 50 awards, established by Government for visa students and recently arrived landed immigrants, provides a means by which a number of academically strong visa students can enrol in Ontario graduate schools. Council fully supports this category of awards but, consistent with the above recommendation on landed immigrant eligibility, feels that this category should be limited to visa students only.

Accordingly, Council recommends to the Minister:

#### OCUA 78-5 (77-2) FOREIGN VISA STUDENT ELIGIBILITY

THAT, a special category of Ontario Graduate Scholarships be established for persons, who at the time of application are student visa holders, with the precise number of scholarships to be determined in a manner consistent with the considerations outlined in this Memorandum.

#### **Number of Awards**

For 1978-79, a separate category of 45 institutional awards (9 per university) was reserved for those universities having no doctoral programs. Despite a recommenda-

tion by the Ontario Graduate Scholarship Selection Board to the contrary, the Ontario Council on Graduate Studies urges the continuation of the institutional awards on the grounds that these awards serve a particular purpose in supporting graduate activities at the smaller institutions. Council concurs with this view and therefore recommends to the Minister:

OCUA 78-6 INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT, up to 45 scholarships (9 per university) be institutional awards in 1979–80 for the universities having no doctoral programs.

In 1977–78 and 1978–79 Government provided 50 awards for visa students and recently arrived landed immigrants. Despite this, the Ontario Graduate Scholarship Selection Board has expressed concern that many very high quality students could not be supported because of the limited number of scholarships in this category. Although Council retains the same number of awards for 1979–80, its recommendations on scholarship eligibility would limit the awards in this category exclusively to persons on student visas. If the Government does not accept Council's eligibility recommendations, thereby having both recently landed immigrants and visa students competing for this category of award, Council considers it appropriate to increase the total number of awards in the category to 60. Accordingly, Council recommends to the Minister:

OCUA 78-7 ONTARIO GRADUATE SCHOLARSHIPS TO PERSONS ON STUDENT VISAS

THAT, up to 50 scholarships be reserved for persons who, at the time of application, are student visa holders, or if Recommendation 78–4 is once again not acceptable to Government, that this number be increased to 60.

The total number of graduate scholarships awarded was increased from 945 to to 1200 in 1978–79. In announcing this increase, the Minister cited the new Ontario Student Assistance Program regulations which make most graduate students ineligible to receive grant assistance from the province. He noted also the large number of highly qualified candidates who were not able to be given awards because of the limited number available. Council supports this increase in the number of awards, even though it was at the expense of Council's first priority, namely to increase the value of the stipend to \$5,000. For 1979–80, Council, noting the emphasis placed on retaining at least the existing number of awards by COU/OCGS and the OGS Selection Board, believes that 1200 scholarships should again be awarded. Council, therefore, recommends to the Minister:

OCUA 78-8 NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1979-80

THAT, 1200 Ontario Graduate Scholarship Awards be made available in 1979-80 for:

- (a) open competition
- (b) institutional awards at Brock, Lakehead, Laurentian, Trent, and Wilfrid Laurier
- (c) foreign visa students in the manner outlined in this Memorandum.

#### Scholarship Stipend

Council has continually argued that the OGS stipend should not remain substantially below the stipend levels of the awards of the federal granting agencies if the quality of the award program is to be maintained. The increase in the OGS stipend to \$4,500 in 1978–79 did not match the 6% increase in the federal awards, thereby widening the gap between the values of the stipends even further. Table I outlines the historical trends in these stipend levels.

Table I **Comparative Scholarship Stipends** Canada Council **NRC Stipends** Stipends OGS (PGS 1 & 2) (1st & 2nd Ph.D.) \$ \$ 1971-72 3,800 3.500 1972-73 3.800 3,500 1973-74 4.050 3,500 1974-75 4.050 to Oct. 1 3,400\* 4.500 from Oct. 1 4,000 5.000 1975-76 3.400\* 5.000 5.500 1976-77 3.750 5.520 1977-78 6.000 4,350 6.000 6.360 1978-79 4,500 6,360 % increase 1978-79 57.0 59.0 32.4 over 1974-75

In determining a value for 1979–80, Council has chosen to follow as a minimum the recommendation of COU/OCGS that \$4,800 or \$1,600 per term is necessary "in view of the rising costs of living and education and of the continuing need to support students of high quality in the graduate programs of the Province." To provide 1200 awards at a stipend of \$4,800 would require a 6.67% increase in funding for the OGS program. Council urges that if funds beyond a 6.67% increase are available they should be directed to a further augmentation of the value of the stipend rather than to additional numbers of awards. Accordingly, Council recommends to the Minister:

#### OCUA 78-9 ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1979-80

THAT, the Ontario Graduate Scholarships carry a minimum stipend of \$4,800 or \$1,600 per term in 1979–80.

One additional matter of policy raised by the OGS Selection Board relates to the eligibility for an Ontario Graduate Scholarship of a student who has already held a federal award such as a Canada Council or National Research Council Scholarship for four years. Under the present system for screening applicants, no attempt is made to ascertain the number of students falling into this category.

<sup>\*</sup> Adjusted to take account of integration of fees into stipend in 1976-77.

Students who have been awarded an Ontario Graduate Scholarship for four years are ineligible for further OGS support. It is, therefore, consistent that those who have received four years of federal support such as National Research Council or Canada Council Scholarships should similarly be denied eligibility for subsequent OGS awards. Council, therefore, endorses the COU/OCGS recommendation for a total exclusion from eligibility for an OGS award for such students.

W. C. Winegard Chairman

June 23, 1978

# 78-III Graduate Program Planning and Funding

In February, 1978, Council submitted Advisory Memorandum 77–VII on the subjects of graduate program planning and funding. That Memorandum focused primarily on objectives for graduate planning in the first quinquennium, that is, the fixed 5-year period 1979–80 to 1983–84, and funding with respect to existing and new graduate programs after the period of formula suspension. During the first quinquennium, Council will continue to examine with interest the extent to which the universities, individually and collectively, are moving toward the attainment of the quinquennial objectives and will look to the annual Council of Ontario Universities/Ontario Council on Graduate Studies (COU/OCGS) monitoring report on graduate studies and the detailed program data submitted by the universities to provide the all-important overview of the graduate enterprise in Ontario.

In this Memorandum, Council concentrates its attention mainly on the funding of graduate programs under two headings: Allocative Mechanisms for the First

Quinquennium, and, Graduate Programs Hitherto Ineligible for Funding.

There is one other issue, however, which concerns graduate planning at the system level and which requires Council's prompt attention. In 1972, the Ministry of Colleges and Universities approved a policy, formulated by the Committee on University Affairs/Council of Ontario Universities Joint Subcommittee on Goals and Policies for Graduate Development, that emerging institutions not be considered eligible for funding for doctoral programs. The question has recently been raised as to whether the new funding criteria for the first quinquennium, set out in Advisory Memorandum 77-VII, supersede the previous policy. Council wishes to make clear that it was not its intention, through Advisory Memorandum 77-VII and the proposals therein, to encourage the mounting of doctoral programs at institutions not currently involved in doctoral work. There are five universities in Ontario which do not offer doctoral programs: Brock, Lakehead, Laurentian, Trent, and Wilfrid Laurier. In view of the guinguennial objectives, Council, at this time, cannot foresee a situation in which it would consider recommending funding approval for doctoral programs at these institutions, at least for the duration of the first quinquennium. Council notes that special provisions have been made under the Ontario Graduate Scholarship Program for these five universities through which up to nine scholarships are reserved for each institution without doctoral programs. This measure was developed, in part, as a support for graduate activity at these universities.

#### Allocative Mechanisms for the First Quinquennium

In Advisory Memorandum 77–VII, Council indicated the importance of the allocative mechanism for graduate studies and stated several requirements which it felt that any such mechanism must fulfill. At that time Council had already studied several alternatives and had concluded that for master's and graduate diploma programs, an allocative formula like the one currently employed for the funding of undergraduate programs might best serve the objectives and goals of the university community for the first quinquennium. For doctoral programs, Council felt that an even greater measure of stability might be in order, and therefore suggested that a discount/stability factor of two thirds be incorporated into the doctoral program allocative formula. That is, formula grants for doctoral programs would be distributed to each institution in relation to the number of BIU's in the fixed doctoral funding base adjusted by one third of the difference between the number of doctoral BIU's in a three-year moving average and the doctoral funding base.

In that Memorandum, Council offered no suggestions as to the funding base to be used for either master's or doctoral funding. In the months that have followed, Council has received the suggestions of the university community and has considered several possible funding bases, paying particular attention to their im-

plications for funding stability and equity. Council has concluded that the appropriate funding base for each institution should be the average number of eligible graduate BIU's reported by each institution in the three-year period 1974–75, 1975–76, 1976–77. This is the same three-year period that is used for the calculation of the undergraduate funding base.

Hence, for master's and graduate diploma programs, the funding base for each institution would be the average number of eligible master's and graduate diploma BIU's reported by each institution in the three-year period 1974–75, 1975–76 and 1976–77. Accordingly, Council recommends to the Minister:

OCUA 78-10
ESTABLISHMENT OF AN INSTITUTIONAL MASTER'S AND GRADUATE
DIPLOMA FORMULA FUNDING BASE

*THAT*, beginning in 1979–80, the average number of eligible master's and graduate diploma BIU's reported by each institution during the years 1974–75, 1975–76 and 1976–77, be deemed the Master's and Graduate Diploma Formula Funding Base for each institution.

Council believes that the formula funding base for doctoral programs should be calculated in the same manner. That is, the doctoral formula funding base for each institution would be the average number of eligible doctoral BIU's reported by each institution during the years 1974–75, 1975–76 and 1976–77. Council accordingly recommends to the Minister:

OCUA 78–11 ESTABLISHMENT OF AN INSTITUTIONAL DOCTORAL FORMULA FUND-ING BASE

*THAT*, beginning in 1979–80, the average number of eligible doctoral BIU's reported by each institution during the years 1974–75, 1975–76 and 1976–77, be deemed the Doctoral Formula Funding Base for each institution.

After examining several other options, Council has concluded that an allocative formula identical to the one currently in use for the distribution of funds with respect to undergraduate programs, incorporating the above-mentioned base, should be employed, beginning in 1979–80, for master's and graduate diploma programs. Council believes that this approach will best serve the principles of funding stability, predictability, equity and accountability. Council accordingly recommends to the Minister:

OCUA 78–12 DISTRIBUTION MECHANISM FOR MASTER'S AND GRADUATE DIPLOMA PROGRAM FORMULA GRANTS DURING THE FIRST QUINQUENNIUM

THAT, beginning in 1979–80, formula grants for master's and graduate diploma programs be distributed to each institution in relation to the number of BIU's in the Master's and Graduate Diploma Formula Funding Base adjusted by 50 per cent of the difference between the average number of eligible master's and graduate diploma BIU's reported by each institution in the three years preceding the granting year and the Master's and Graduate Diploma Formula Funding Base.

As Council stated in Advisory Memorandum 77–VII "... doctoral programs may be considered to have been generating the greatest support for research and scholarships. ..." Because of Council's belief that these aspects of university activity must be protected in the event of sudden fluctuations in enrolment, Council proposes that formula grants for doctoral programs be distributed to each institution in relation to the number of BIU's in the Doctoral Formula Funding Base adjusted by one third of the difference between the number of doctoral BIU's in a three-year moving average and the Doctoral Formula Funding Base. Council accordingly recommends to the Minister:

OCUA 78–13
DISTRIBUTION MECHANISM FOR DOCTORAL PROGRAM FORMULA
GRANTS DURING THE FIRST QUINQUENNIUM

THAT, beginning in 1979–80, formula grants for doctoral programs be distributed to each institution in relation to the number of BIU's in the Doctoral Formula Funding Base adjusted by one third of the difference between the average number of eligible doctoral BIU's reported by each institution in the three years preceding the granting year and the Doctoral Formula Funding Base.

#### **Graduate Programs Hitherto Ineligible for Funding**

In Advisory Memorandum 77-VII, Council set out explicit criteria, subsequently approved by the Minister on March 21, 1978, which new graduate programs will have to satisfy before being considered for funding approval. At that time Council also took cognizance of the fact that several unfunded graduate programs were already in existence and that there were others which would be implemented be-

fore or during the first quinquennium.

In its 1978 brief, *Graduate Planning in Ontario Universities*, the Ontario Council on Graduate Studies provided a list of 68 graduate programs (24 doctoral programs and 44 master's programs) which are not yet being funded. Many of these programs have already been implemented and have been enrolling students for several years, while others are still in various planning stages. In this Memorandum, Council is recommending only 26 of these programs (6 doctoral and 20 master's programs) for funding approval. There are two additional doctoral programs on which Council is withholding judgment at this time. Therefore, of the 68 currently unfunded graduate programs, there remain 40 programs (16 doctoral and 24 master's programs) which will be required to meet the new funding criteria outlined in Advisory Memorandum 77–VII before Council will consider recommending them for funding approval.

A number of the programs listed in the COU/OCGS brief had completed the former requirements for funding approval before the period of formula suspension for graduate work (which has come to be known as the "graduate freeze"). The date on which the freeze began is taken here to be May 1, 1976, the first day of the university fiscal year in which the freeze became effective. Because embargoes ceased to be meaningful during the freeze, Council has not taken into account the former requirement that a program be in an unembargoed discipline. Council believes that any program which had satisfied all of the other former requirements should now be recommended for funding approval, provided that it received a

favourable appraisal during the period March 1, 1973 to March 1, 1978.

There are three graduate programs, History (PhD) at Waterloo, Urban and Regional Planning (PhD) at Toronto and Kinesiology (MSc) at Waterloo, which satisfy all of the former requirements except that they do not appear to have completed a

re-appraisal during the period March 1, 1973 to March 1, 1978. Council wishes to avoid any undue retroactivity and in view of this consideration deems that these programs should be eligible for funding. There are three other graduate programs, Behavioural Science (PhD) and (MSc) at McMaster and Business Administration (MBA) at Wilfrid Laurier, for which all requirements except the receipt of COU planning approval were completed before the freeze. In view of the fact that all other requirements were completed before May 1, 1976, and since COU approval was obtained after these programs had been favourably appraised, Council deems that these programs should be approved for funding. Accordingly, Council recommends to the Minister:

### OCUA 78–14 FUNDING OF PARTICULAR GRADUATE PROGRAMS

*THAT*, the following programs be deemed eligible for formula support beginning in 1979–80, and that eligible enrolment therein for each year be included, where applicable, in the appropriate moving average and funding base for each institution:

Program

Behavioural Science (PhD)
Biophysics (PhD)
History (PhD)
Kinesiology (PhD)
Religious Studies (PhD)
Urban and Regional Planning (PhD)

Adapted Human Biodynamics (MSc) Behavioural Science (MSc) Business Administration (MBA) Chemical Education (MA(T))

Dance (MFA)
Education (MEd)

Education Studies (MEd)

Film (MFA) Forestry (MSc) French (MA(T))

Human Kinetics (MSc) Industrial Relations (MIR)

Journalism (MA) Kinesiology (MSc)

Physical Education (MA/Sc) Physical Education (MA/Sc) Physical Education (MA/Sc) Recreation Studies (MA)

Religion (MA)

Religious Studies (MA)

University

McMaster Guelph Waterloo Waterloo Toronto Toronto

McMaster McMaster Wilfrid Laurier Western

York Brock Western York Lakehead Western Guelph Toronto Western Waterloo Lakehead Queen's York Waterloo Carleton Toronto

At this time, Council is withholding judgment on Business Administration (PhD) at Queen's and Administrative Studies (PhD) at York. There are three unfunded doctoral programs in Business listed in the COU/OCGS brief, the two abovementioned programs and the planned program at McMaster. These programs are in addition to the three doctoral programs in Business already being funded at

Toronto, Western and Waterloo. This raises the issue of how many doctoral programs in Business are really needed in Ontario and where they should be. Council wishes to hear from COU regarding the plans for doctoral studies in Business in Ontario and how these plans fit in with the objectives for the first quinquennium set out by Council in Advisory Memorandum 77–VII. It is Council's intention to postpone any decision regarding recommendations for funding approval for these programs until it has received a response from COU.

Any other currently unfunded or planned graduate programs not named above will be required to meet the new funding criteria for the first quinquennium before they will be considered by Council for recommendation for funding approval.

W. C. Winegard Chairman

September 22, 1978

# 78-IV Program Funding Approval Procedures for Ryerson Polytechnical Institute

On October 14, 1975, the Minister of Colleges and Universities formally referred to Council the task of advising on the "continued funding of unauthorized degree programs at Ryerson Polytechnical Institute." Following a number of meetings with Ryerson and the Ministry of Colleges and Universities, Council, on December 10, 1976, submitted Advisory Memorandum 76–V recommending that interim funding be extended during 1977–78 and 1978–79 only to those degree, diploma and certificate programs that were funded in 1976–77. Council undertook, by the end of this two-year period, to produce "firm advice on the mechanisms through which Ryerson programs can be fully authorized for funding purposes." In this Memorandum, Council makes recommendations on both the mechanism for program review and the funding status of existing and future programs.

#### The Framework

In a fundamental sense it is the level and character of Ryerson's programs that define the institution. The programs have traditionally been career oriented, practical in their emphasis and established in response to a defined need. These program characteristics have given Ryerson a distinctive place within the post-secondary system, it being neither a College of Applied Arts and Technology nor a traditional university. In Council's view, the process of program approval should help maintain the character of Ryerson's programs and reinforce the polytechnic role of the institution.

With this in mind, Council advanced in Advisory Memorandum 76–V three alternative mechanisms for program approval and review. These were:

- Council itself, or its appointed agents, would undertake to review and approve each new program or program change proposed by Ryerson;
- Council itself, or its appointed agents, would review and approve a detailed plan for Ryerson every five years;
- internal changes in the governance of Ryerson, including possible amendments to its Act, would be made so as to ensure that community, business and labour representatives would have direct input into, and a major say in, the planning and approval of each and every program.

Although these were the options specifically outlined, Council encouraged Ryerson to consider other possibilities as well in formulating a proposed structure.

On September 22, 1978, Ryerson representatives met with Council in formal session. At that meeting, Ryerson advanced an internal approval mechanism that involved a "semi-autonomous, interactive decision-making process" in which program planning, review and revision would be carried out in consultation with an external advisory committee for each program. The members of these committees would "provide knowledgeable input on program purpose, its societal need, and its appropriate academic excellence." In addition, for existing programs, enrolled students, graduates and employers would be consulted and where appropriate, independent appraisal, approval or accreditation would be sought. The Academic Council of Ryerson, being fully apprised of this advice, would be responsible for authorizing programs subject to their compatibility with "the Institute's aim, goals, general academic policies and academic standards." The Board of Governors would similarly be responsible for authorizing programs approved by Academic Council and recommended by the President. The Board's approval would be based upon an assessment of the financial implications and upon compatibility with the Ryerson Act and the institution's general policies. Apart from this internal process, Ryerson suggested that it would report annually to Council and the Minister.

In reviewing Ryerson's proposal, Council sought to determine whether the basic

requirements of assuring that all programs "will have an appropriate level of academic excellence, a clearly expressed societal need and a defined level of financial viability" were capable of being fulfilled. As a result of its review of the mechanism and the meetings held with representatives of Ryerson, Council has concluded that a mechanism based upon internal review and approval is the appropriate choice for Ryerson.

#### The Mechanism

Based upon its understanding of the requirements of an acceptable mechanism on one hand, and the administrative structure of Ryerson on the other, Council suggests that the program approval mechanism should consist of the following three elements: academic quality and standards of programs assured primarily by Academic Council as charged under the Ryerson Act, financial viability of programs assured primarily by the Board of Governors in accordance with the Act, and societal need assured primarily by Program Assessment Committees.

Program Assessment Committees The Program Assessment Committees are a new element in the program planning and review process and should be distinguished from the Advisory Committees which have been used by Ryerson for many years. The Advisory Committees have in the past been established for each program by the department chairmen to provide what Ryerson has referred to as "a strong link with the public, private and service sectors." Council appreciates the important role which these committees have played in providing informal advice on the development of programs at Ryerson, and indeed, the Institute may wish to

continue with its traditional practice of external consultation.

The Program Assessment Committees are to have an entirely different function. These Committees are to be established and appointed by the President of Ryerson for the specific purpose of preparing formal reports including recommendations that programs be approved or denied, based upon assessment of societal need. The Assessment Committees should submit their reports to the President for transmittal to the Academic Council and the Board of Governors. The by-laws of the Academic Council and the Board of Governors respectively should guarantee that the Academic Council will not make its final recommendation on a program proposal without the prior consideration of the report of the Assessment Committee and that the Board will similarly make its final recommendation only after consideration of the reports of both the Assessment Committee and Academic Council.

In Council's view the effective functioning of the approval mechanism depends very largely upon the ability of the Assessment Committees to provide an independent and objective evaluation. Consequently, these Committees, while looking to Ryerson's faculty and staff for input as necessary, should be composed of at least seven members all of whom are external to Ryerson, including: (a) five or more who are knowledgeable in the program field including management, labour and educators, and (b) two or more who are not involved in the program field.

In carrying out their mandate, the Assessment Committees should consider not only the level of student demand and the employment opportunities for graduates but also other factors such as whether similar programs are already available at other institutions and whether the proposed program is compatible with the role of a polytechnic and consistent with the evolution and character of Ryerson. Council believes that such fundamental considerations are as important as the more conventional questions relating to labour market conditions and student demand, and expects that the full range of issues will be addressed by the Assessment Committees in preparing their analyses of societal need. Council is confident that an assessment of need carried out under such terms of reference will be a proper basis for an authoritative Committee recommendation.

Application of the Mechanism Council is of the view that the assessment of societal need in the manner outlined and the assurance of academic excellence and financial viability by the Academic Council and Board of Governors respectively constitute an acceptable internal mechanism on the basis of which Ryerson programs can be fully authorized for funding purposes. In order to assure Council that the mechanism is performing its intended function, Council proposes that with respect to any program for which funding approval is being sought, it receive a recommendation from Ryerson supported by Academic Council's approval of the academic quality of a program, the Board of Governors' assurance of the financial viability of the program and the Program Assessment Committee's report on and certification of societal need. It is Council's intention that following its receipt of these materials, confirming approval by all three bodies, it will recommend authorization of the proposed programs for funding. Council accordingly recommends to the Minister:

OCUA 78-15
MECHANISM FOR DEGREE AND NEW DIPLOMA PROGRAM APPROVAL
AT RYERSON POLYTECHNICAL INSTITUTE

THAT, all degree and new diploma programs at Ryerson be considered for funding by the Minister on the recommendation of the Ontario Council on University Affairs, such recommendation to be based upon the approval mechanism outlined in this Memorandum.

To ensure continuing relevance to societal needs, a review of each program offering should be carried out by Ryerson at intervals of no more than seven years. Council appreciates that the introduction of the program approval mechanism

Council appreciates that the introduction of the program approval mechanism formalizes a consultative process some of the characteristics of which have already existed in an informal sense in the planning and review of programs at Ryerson. While confident of Ryerson's ability and intent to apply these new procedures, Council is of the opinion that a periodic review with Ryerson of the mechanism and its application is desirable.

#### **Funding Approval for Existing Degree Programs**

In Advisory Memorandum 76–V, Council recommended that all existing degree programs be granted interim funding for a two-year period, pending the determination of a program approval mechanism. Council is now of the view that in order to qualify for funding, these programs should be subjected to review in accordance with the recommended mechanism. Council proposes that the programs should remain on interim funding for the duration of two years at which time all degree programs that have been approved under the mechanism and recommended by Council to the Minister should be authorized for continued funding. Programs which at the end of two years have not been accepted under the mechanism should be ineligible for further funding. Council accordingly recommends to the Minister:

OCUA 78–16
INTERIM ARRANGEMENTS AND PROCEDURES FOR FUNDING OF
EXISTING DEGREE PROGRAMS

THAT, the degree programs funded during 1978–79 should continue to be eligible for funding in 1979–80 and 1980–81 and, that at the end of this two-year period only those degree programs which have been approved under the mechanism and recommended by the Ontario Council on University Affairs to the Minister be authorized for continued funding.

In making this recommendation Council recognizes that the degree program in Applied Geography, although previously authorized by the Minister, has not been reviewed under the mechanism suggested in this Memorandum. Council expects that this program will be among those reviewed for funding approval.

#### **Funding Approval for New Degree Programs**

Council is aware that Ryerson has sought funding approval for a number of new degree programs namely, Air Transport Engineering, Graphic Arts Management, Nursing, and Environmental Health. In Council's view the determination of funding eligibility for these programs should not await the completion of the review of existing programs. Rather, these and all other new degree programs should henceforth be authorized when they are approved under the mechanism and duly recommended by Council to the Minister. Council accordingly recommends to the Minister:

#### OCUA 78–17 FUNDING APPROVAL FOR NEW DEGREE PROGRAMS

THAT, henceforth any new degree program approved under the mechanism and recommended by the Ontario Council on University Affairs to the Minister be authorized for funding.

#### **Funding Approval for Existing Diploma and Certificate Programs**

Although the funding eligibility of some of Ryerson's degree programs was the specific concern in the Ministerial reference of October 14, 1975, Council, without questioning the eligibility of the diploma and certificate programs, recommended that all programs be placed on interim funding pending the establishment of a program approval mechanism. Council, having examined this issue, has found no reason to require that the existing diploma or certificate programs be assessed under the proposed mechanism in order to verify their funding status. Council accordingly recommends to the Minister:

OCUA 78–18 FUNDING APPROVAL FOR EXISTING DIPLOMA AND CERTIFICATE PRO-GRAMS

THAT, the existing diploma and certificate programs that are funded in 1978–79 be authorized for continued funding.

#### **Funding Approval for New Diploma Programs**

Although Council is recommending the continued funding of existing diploma programs, it is aware that the future establishment of diploma programs might raise the question of Ministerial approval. Council also recognizes the importance of diploma offerings at Ryerson and considers it important that the academic excellence, societal need and financial viability of these programs be assured. The authorization of new diploma programs should proceed in the same manner as that outlined for new degree programs. Council accordingly recommends to the Minister:

#### OCUA 78–19 FUNDING APPROVAL FOR NEW DIPLOMA PROGRAMS

THAT, henceforth any new diploma program approved under the mechanism and recommended by the Ontario Council on University Affairs to the Minister be authorized for funding.

#### **Funding Approval for New Certificate Programs**

The certificate programs offered by Ryerson tend to be significantly different from either diploma or degree programs in their origin, duration and in some ways, their objectives. As programs established to provide comparatively specific education and training to a clearly defined clientele, often over a comparatively short period of time, they are commonly designed to provide skills to people already launched on a career rather than to prepare students for a vocation. These distinctive characteristics, combined with the need to respond quickly to changes in demand, suggest to Council that certificate programs should be treated differently from other programs in the approval process. Council is not suggesting that the assurance of academic excellence, financial viability and societal need is any less important for certificate than for degree and diploma programs. Rather, Council is confident that these requirements will be satisfied without formal application of the approval mechanism. Council accordingly recommends to the Minister:

OCUA 78–20 FUNDING APPROVAL FOR NEW CERTIFICATE PROGRAMS

THAT, henceforth any new certificate programs approved by Ryerson should be authorized for funding.

W. C. Winegard Chairman

November 17, 1978

### 78-V The Allocation of the Government's Operating Support for the University System in 1979-80

By letter of January 4, 1979, the Minister of Colleges and Universities informed the Chairman of Council that in 1979–80, \$782.4 million in operating grants would be allocated to the university system. Of this amount, \$775.9 million is available for Council's basic funding objectives and the Bar Admission Course, \$0.5 million is provided in partial recognition of the incremental costs already incurred by designated bilingual institutions, and \$6.0 million is retained by the Ministry for budget review items. In addition to the \$782.4 million in operating grants, the Government announced an increase of 5% in domestic formula fee rates. The total grant and fee revenue (excluding the differential in fees charged to foreign visa students) expected to accrue to the system in 1979–80, based on an estimate of fee revenue, is \$911.2 million and represents an increase of 4.5% over the comparable figure for 1978–79.

Council notes with great regret that the \$776.4 million in operating grants, combined with the estimated \$6.2 million resulting from the 5% domestic fee increase, falls \$14.2 million short of Council's total recommended funding of \$796.8 million (\$795.3 million for basic funding objectives and \$1.5 million for the grant-in-aid to the Bar Admission Course and funding of bilingual institutions). Some of the possible implications of this degree of underfunding were discussed by Council in its paper of September 1978 "The Ontario University System: A Statement of Issues." To say the least, all are potentially serious, especially when it is borne in mind that universities have a research and development, as well as a teaching, function.

In this Memorandum, Council advises on the distribution of the \$776.4 million that has been made available for operating grants. The amount available for distribution by formula is the portion of the \$776.4 million that remains after allocations have been made for Northern Ontario, bilingualism and supplementary grants, for the grant-in-aid to the Bar Admission Course, and for contingency.

#### **Northern Ontario Grants**

In Advisory Memorandum 74–III, Council recommended that the Government adopt a deliberate policy of financial assistance to Northern Ontario institutions in recognition of the fiscal problems associated with providing post-secondary education in that region. Council subsequently published a "mini-formula" in Advisory Memorandum 75–VII on the basis of which the annual value of the Northern grant could be calculated for each of Lakehead and Laurentian universities and Laurentian's affiliated colleges – Algoma, Hearst and Nipissing. According to this method, the grant to each institution is determined with reference to the prior year's Basic Operating Income.

For 1979-80, Council has again employed the mini-formula in the calculation of

the Northern grants and accordingly recommends to the Minister:

OCUA 78–21 NORTHERN ONTARIO GRANTS 1979–80

THAT Northern Ontario grants in 1979-80 be made in the following amounts:

Lakehead	\$1,484,000
Laurentian	1,434,000
Algoma	167,000
Hearst	93,000
	238,000
Nipissing	

#### **Bilingualism Grants**

In Advisory Memoranda 77–III and 78–I, Council recommended that additional funding be provided in recognition of the incremental costs associated with existing bilingualism activities. For 1978–79, an additional \$1 million was made available as a first step in meeting these costs. For 1979–80, the Government has allocated an additional \$0.5 million for this purpose. Since Council has, in previous Memoranda, requested a total of \$2 million, there remains a shortfall of \$0.5 million if the incremental costs being incurred by bilingual institutions are to be met.

For 1979–80, the amount available for distribution by Council is equal to (1) the total bilingualism grant for 1978–79 increased by 4.9% which is the percentage by which operating grants increase between 1978–79 and 1979–80 excluding the additional \$0.5 million for bilingualism and, (2) the \$0.5 million in additional funds. In distributing this total of \$6.2 million, Council wishes to continue its policy of phasing in the allocation of additional funds for bilingualism as suggested in Advisory Memorandum 77–VI. On the assumption that no further funds are made available for this purpose for 1979–80, total grants for bilingualism will be allocated with one-half based on the distribution of 1978–79 bilingualism grants and one-half according to the incidence of 1976–77 incremental bilingualism costs. Accordingly, Council recommends to the Minister:

OCUA 78–22 BILINGUALISM GRANTS 1979–80

THAT biligualism grants in 1979-80 be made in the following amounts:

Ottawa	\$4,657,000
Laurentian	1,142,000
Glendon	176,000
Hearst	52,000
Sudbury	27,000
St. Paul	192,000

#### **Supplementary Grants**

Council has, in past Memoranda, stated its policy of recommending reductions each year in the supplementary grants to Lakehead, Laurentian and Trent universities. Council continues to believe that supplementary grants should be reduced while having regard for the immediate impact of enrolment averaging formula income and the proportion of Basic Operating Income represented by the supplementary grants of the recipient institution. Council accordingly recommends to the Minister:

OCUA 78-23 SUPPLEMENTARY GRANTS 1979-80

THAT supplementary grants in 1979-80 be made in the following amounts:

Lakehead	\$ 350,000
Laurentian	100,000
Trent	1,000,000

#### **Bar Admission Course**

In Advisory Memorandum 74-II, Council noted the Government's policy of providing a partial grant-in-aid for the Bar Admission Course. In recommending the

amount of this special grant, Council continues its recent approach of increasing the grant by the percentage increase in the Government's allocation to the system as a whole. Thus, for 1979–80, Council proposes an increase in the grant-in-aid of 4.9% over the \$458,000 allocated for 1978–79. Council expects that tuition fee rates for the Bar Admission Course will not be increased by more than the 5% increase in formula fees announced for the rest of the system. Council accordingly recommends to the Minister:

OCUA 78–24 GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1979–80

THAT a grant of \$481,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1979–80.

#### **Basic Income Unit Values**

As indicated at the beginning of this Memorandum, the Government has made available a total of \$782.4 million to the university system for 1979-80. Of this amount, \$6.0 million has been retained by the Ministry of Colleges and Universities for the financing of line budget items, leaving a total of \$776.4 million to be allocated on the recommendation of Council. For purposes of determining the amount available for distribution through graduate and undergraduate formula grants, Council deducts from this total the value of allocations for Northern Ontario, bilingualism and supplementary grants, and for the grant-in-aid to the Bar Admission Course. The total of these deductions for 1979-80, as shown in Table I, is \$11.593,000. In addition, Council deducts an amount for contingency which for 1979-80 is \$1,671.000. This amount is intended to cover the discrepancy between the estimated weighted enrolment for 1978-79 and the final enrolment figures. As well, the amount set aside for contingency will be available for any change in the funding status of Dominican College which now remains the only school of theology funded at 50%. The amount remaining for distribution by formula grants after the deductions for non-formula grants and contingency is \$763,136,000. Council notes that any unused portion of the contingency will also be available for distribution.

Table I		
Availability of Funds for Distribu and Undergraduate Formula Gr	ition as Graduate ants for 1979–80	
Available for Council's Allocative Recommendations Deduct: Northern Ontario Grants Bilingualism Grants Supplementary Grants Bar Admission Course	\$ 3,416,000 6,246,000 1,450,000 481,000	\$776,400,000
Sub-Total Contingency Total Deductions	\$11,593,000 1,671,000	\$ 13,264,000
Available for Distribution as Graduate and Undergraduate Formula Grants		\$763,136,000

Based on an amount of \$763,136,000 available for distribution by formula grants, the value of the undergraduate Basic Income Unit (BIU) is \$2,800 and the graduate BIU is \$2,729.

The undergraduate allocation for 1979-80 is calculated in accordance with the undergraduate funding formula established in Advisory Memorandum 76-VII. The method used to allocate graduate formula grants is that specified in Advisory Memorandum 78-III. Formula grants for master's and graduate diploma programs are distributed to each institution in relation to the number of BIUs in the Master's and Graduate Diploma Formula Funding Base adjusted by 50 per cent of the difference between (1) the average number of eligible master's and graduate diploma BIUs reported by each institution in 1978-79, 1977-78 and 1976-77 and, (2) the Master's and Graduate Diploma Formula Funding Base. For doctoral programs. formula grants are distributed according to the number of BIUs in the Doctoral Formula Funding Base adjusted by one-third of the difference between the number of doctoral BIUs in the three-year moving average and those in the Doctoral Formula Funding Base. In determining the eligible BIUs in each year, Council included the graduate programs recommended for formula support in Advisory Memorandum 78-III. Council accordingly recommends to the Minister:

OCUA 78-25 GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1979-80

THAT, for 1979-80, the graduate BIU value be not less than \$2,729 and the undergraduate BIU value be not less than \$2,800.

In Tables II and III, Council tabulates the distribution of grants and Basic Operating Income based on the recommendations contained in this Memorandum. Table II lists formula and non-formula grants for 1979-80 and provides a comparison by institution to the grants made in 1978-79. Table III similarly compares the sum of Basic Operating Income and non-formula grants for 1979-80 with the corresponding figures for 1978-79. Council notes that although Basic Operating Income is a more accurate measure of the revenue expected to accrue to the system than grants alone, the portion of Basic Operating Income which is based on fees may differ from the actual fee revenue collected by the system. For an explanation of the basis for this difference and its implications see the Appendix to this Memorandum.

#### Formula Sensitivity to Enrolment Change

In Advisory Memorandum 78-III, Council recommended that a 50% discount/ stability factor be applied in the allocative formula used for master's and graduate diploma programs. For doctoral programs, Council felt that an even greater measure of stability might be in order, and therefore suggested a discount factor of twothirds. Council wishes to reiterate its intention to employ these discount factors throughout the first quinquennium.

Council believes that the use of a 50% discount factor in the undergraduate allocative formula continues to be an appropriate measure to reduce the sensitivity of the formula to enrolment change. It is therefore Council's intent to employ the 50% discount factor again in 1980-81.

W. C. Winegard Chairman

January 26, 1979

Distribution of Grants Generated by Recommendations in Advisory Memorandum 78–V (\$ thousands)
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Table II

Northern   Northern   Grants   Grants				1979-80 RECO	1979-80 RECOMMENDATIONS				
12,457 39,647 47,946 11,797 11,034 11,030 1,617 238 279 93 279 93 279 93 279 93 1,617 238 279 93 1,617 238 279 93 1,617 238 279 93 1,617 238 279 93 279 93 279 93 279 93 279 93 279 93 279 93 279 93 279 93 274 17,1213 7,654 59,311 78,403 11,200 32,461 Art 4,648 Art 4,648		Formula Grants <sup>2</sup>	Northern Ontario Grants	Bilingualism Grants <sup>3</sup>	Supplementary Grants	Special Grant and Contingency	Total Grants Recommended⁴	1978–79 Total Grants <sup>5</sup>	% Change
39,647 47,946 11,797 1,484 11,034 1,434 1,050 167 279 93 279 93 52,203 59,473 59,473 151,213 7,654 59,311 7,654 59,311 7,654 59,311 11,200 8,981 11,200 32,461 Art 4,648 Art 4,648	_	12,457					12,457	11,877	4.9
47,946 11,797 11,034 11,034 11,034 11,034 11,030 279 93 52,203 52,203 59,473 59,473 7,654 59,473 7,654 59,311 7,8,403 rrier 13,949 rrier 13,949 11,200 32,461 Art 4,648 Art 4,648 763,136 763,136	eton	39,647					39,647	38,264	3.6
11,797 1,484 1,134 1,1050 1,650 1,67 238 279 93 279 93 279 93 2,203 2,203 2,203 2,203 1,71,213 7,654 2,9473 1,71,213 7,648 2,461 200 32,461 4,648 2,416 7,63,136 3,416	hq	47,946					47,946	45,898	4.5
11,034 1,434 1 1,050 167 167 238 279 93 52,203 59,473 59,473 59,473 7,654 17,1213 7,6403 11,200 32,461 Art 4,648 11 76,3416	head	11,797	1,484		350		13,631	13,034	4.6
ng 1,050 167  ng 1,617 238  r 22,203  s 2,203  s 3,473  7,654  59,473  7,654  59,311  78,403  burier 13,949  aurier 14,648  aurier 763,136  aurier 1,650	entian	11,034	1,434	1,169	100		13,737	13,100	4.9
r 52,203 93 r 52,203 93 r 52,203 93 r 52,203 93 r 52,203 73 r 53,207 7654 r 53,27 7654 r 58,317 7654 r 13,949 r 78,403 76,301 r 11,200 32,461 r 11,200 32,461 r 14,648	goma	1,050	167				1,217	1,201	1.3
279 93  r 52.203 93,473 59,473 63,227 171,213 7,654 59,311 78,403 10trier 13,949 111,200 32,461 111,200 32,461 763,136 3,416	pissing	1,617	238				1,855	1,784	4.0
52.203 59,473 59,227 171,213 7,654 59,311 78,403 11,200 34,510 68,881 11,200 32,461 11,200 32,461 763,136 763,136	earst	279	93	52			424	411	3.2
59,473 53,227 171,213 7 654 59,311 78,403 34,510 56,981 11,200 11,200 32,461 76,3136 76,3136 76,3136	aster	52,203					52,203	50,356	3.7
53.227 771.213 776.54 59,311 78,403 34,510 58,981 11,200 11,200 32,461 763,136 763,136 763,136	wa	59,473		4,849			64,322	60,867	2.7
7.654 7.654 7.654 39,311 78,403 34,510 68,981 11,200 32,461 51,404 763,136 763,136 763,136	en's	53,227					53,227	50,136	6.2
7.654 59.311 78.403 13.949 34,510 68.981 11.200 32,461 51.461 763,136 3,416	nto	171.213					171,213	162,149	5.6
59,311 78,403 78,403 78,403 34,510 34,510 68,981 11,200 32,461 51,414 4,648 763,136 763,136 763,136		7,654			1,000		8,654	8,458	2.3
aurier 13.949 34.510 34.510 68.981 11.200 32.461 of Art 4.648 an¹ 76 763.136 3,416	rloo	59,311					59,311	56,478	2.0
13.949 34,510 68,981 11,200 32,461 4,648 76 76 763,136 3,416	tern	78,403					78,403	74,756	4.9
34,510 68,981 11,200 32,461 4,648 76 76 763,136 3,416	id Laurier	13,949					13,949	13,212	5.6
68,981 11,200 son 32,461 ge of Art 4,648 nican <sup>3</sup> 76 3,416	dsor	34,510					34,510	33,350	3.5
11,200 32,461 4,648 76 76 763,136 3,416		58,981		176			59,157	56,845	4.1
32,461 4,648 76 763,136 3,416	ш	11,200					11,200	10,368	8.0
4,648 76 763,136 3,416	rson	32,461					32,461	30,785	5.4
763,136 3,416	ege of Art	4,648					4,648	4,282	8.5
763,136 3,416	inican	76					92	7.1	7.0
	.AL	763,136	3,416	6,246	1,450		774,248	737,682	5.0
Bar Admission	Admission					481	481	458	5.0
Contingency	tingency					1,671			

Notes:

1 Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.
2 1979–80 formula grants are calculated using an undergraduate BIU value of \$2,800, a graduate BIU value of \$2,729 and domestic formula fee rates increased by 5% over their 1978–79 beloes.
3 Bilingualism grants for attiliated institutions are included with the parent institution.
4 Total grants recommended of \$774.248 million plus \$0.481 million for the Bar Admission Course plus \$1.671 million as Contingency equals \$776.4 million grants recommended of \$774.248 million plus \$0.481 million for the Bar Admission Course plus \$1.671 million as Contingency equals \$776.4 grants were calculated using an undergraduate BIU value of \$2,656 and a Graduate Funding Unit value of \$2,589.

				I able III				
		Distributio by Rec	n of Basic Ope	Distribution of Basic Operating Income and Grants Generated by Recommendations in Advisory Memorandum 78–V (\$ thousands)	and Grants Ge emorandum 7	nerated 8-V		
			1979-80 RECC	1979-80 RECOMMENDATIONS				
	Basic Operating Income (BOI)?	Northern Ontario Grants	Bilingualism Grants <sup>3</sup>	Supplementary Grants	Special Grant and Contingency	,	BOI plus BOI plus Northern Northern Bilingualism Bilingualism Supplementary Supplementary and and Grants Special Grants	% Change
Brock	15,067					15,067	14,423	4.5
Carleton	48,137					48,137	46,550	3.4
Guelph	55,678					55,678	53,369	4.3
Lakehead	14,252	1,484		350		16,086	15,366	4.7
Laurentian	13,693	1,434	1,169	100		16,396	15,663	4.7
Algoma	1,413	167				1,580	1,561	1.2
Nipissing	2,027	238				2,265	2,195	3.2
Hearst	376	93	52			521	506	3.0
McMaster	60,975					60,975	58,839	3.6
Ottawa	70,145		4,849			74,994	71,046	5.6
Queen's	61,966					61,966	58,429	6.1
Toronto	197,849					197.849	187.760	5.4
Trent	9,617			1,000		10,617	10.352	2.6
Waterloo	70.461					70,461	67.040	5.1
Western	92,855					92,855	88,683	4.7
Wilfrid Laurier	17,347					17,347	16,456	5.4
Windsor	41,477					41,477	40,160	3.3
York	71,738		176			71,914	69,124	4.0
OISE	12,319					12,319	11,380	8.3
Hyerson	37,295					37,295	35,402	5.3
College of Art	5,534					5,534	5,102	8.5
Dominican <sup>1</sup>	124					124	117	6.0
IOIAL	900,345	3,416	6,246	1,450		911,457	869,623	4.8
Bar Admission					481	481	458	0
	The state of the s					- 0	400	0.0

#### Appendix to Advisory Memorandum 78-V

#### **Explanation of Basic Operating Income**

The actual fee and grant income for the university system cannot be calculated for the year ahead since fee revenue is not known. Instead, Basic Operating Income (BOI) can be used as a proxy for actual grant and fee income. BOI consists of formula grants for the year in question and the averaged and discounted formula fees. In order to obtain institutional BOI, total system BOI is divided by the averaged and discounted system BIUs in order to derive a value for the Basic Income Unit. This unit value, when multiplied by the number of BIUs at a university, gives the university's BOI. A university's grants are obtained by subtracting its average and discounted formula fees from its BOI. BOI should not, therefore, be regarded as the actual fee and grant income that a university will have in a given year. In a period of declining enrolment, the method of calculating institutional BOI will tend to overstate fee revenues and therefore also total grant and fee income.

A second basis on which actual university operating fee and grant income differs from the BOI figure used in this Memorandum arises from the fact that BOI does not include the fee revenue collected by the system from the higher fees charged to foreign visa students. This additional amount is returned to the system through the operating grants formula in the year in which the revenue is collected

when final enrolments are known.



OCUA Public Meetings, 1978-79

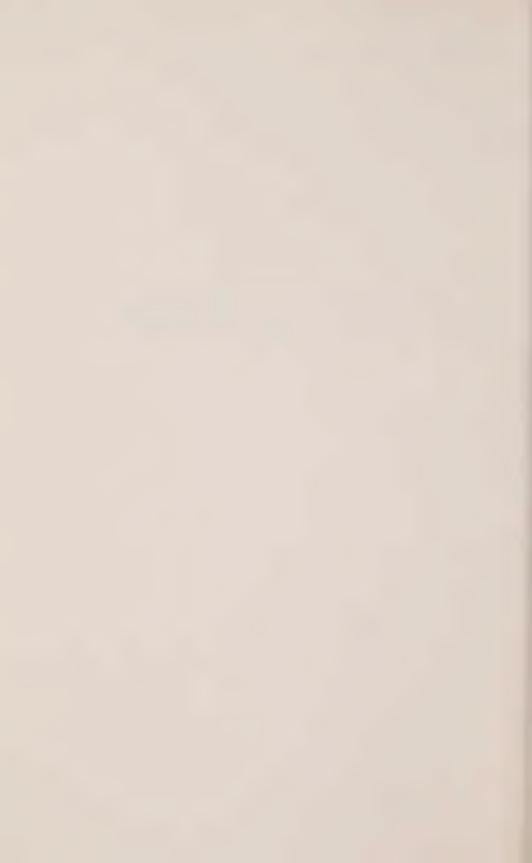


# OCUA Public Meetings, 1978-79

Institution or Organization and (Place of Meeting)
Council of Ontario Universities (University of Toronto, Toronto)
University of Toronto (University of Toronto, Toronto)
McMaster University (McMaster University, Hamilton)
Brock University (McMaster University, Hamilton)
University of Guelph (McMaster University, Hamilton)
Ontario Confederation of University Faculty Associations (Queen's Park, Toronto)
Confederation of Ontario University Staff Associations (Queen's Park, Toronto)
Ontario Federation of Students (Queen's Park, Toronto)
Wilfrid Laurier University (Wilfrid Laurier University, Waterloo)
University of Waterloo (Wilfrid Laurier University, Waterloo)
University of Western Ontario (Wilfrid Laurier University, Waterloo)
University of Windsor (Wilfrid Laurier University, Waterloo)
Laurentian University (Bristol Place Hotel, Toronto)
Algoma College (Bristol Place Hotel, Toronto)
Collège de Hearst (Bristol Place Hotel, Toronto)
Nipissing College (Bristol Place Hotel, Toronto)
York University (York University, Downsview)
Ryerson Polytechnical Institute (York University, Downsview)
Ontario College of Art (York University, Downsview)
Ontario Institute for Studies in Education (York University, Downsview)
Trent University (Trent University, Peterborough)
Queen's University (Trent University, Peterborough)
University of Ottawa (Trent University, Peterborough)
Carleton University (Trent University, Peterborough)



OCUA Recommendations and Government Responses, 1978-79



# OCUA Recommendations and Government Responses, 1978-79

Recomm	nendations Title	Response
	(Advisory Memorandum 78–I)	·
78–1	Funding Level for 1979–80 to Meet the Cost of Council's Basic Objectives in Funding the Operation of Provincially-Assisted Universities, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art	Not accepted
78–2	Additional Funding for 1979–80 for Existing Bilingualism Programs and the Bar Admission Course	Not accepted
78–3	Level of Support for Major Renovations, Alterations, and Replacement Projects in 1979–80	Not accepted
	(Advisory Memorandum 78–II)	
78–4 (77–1) (76–2) (75–3)	Ontario Graduate Scholarship Eligibility	Partially accepted: see extract from Minister's letter
78–5 (77–2)	Foreign Visa Student Eligibility	of 25 July 1978 which follows this table
78–6	Institutional Awards to Universities Without Doctoral Programs	Accepted
78–7	Ontario Graduate Scholarships to Persons on Student Visas	Accepted
78–8	Number of Ontario Graduate Scholarship Awards in 1979–80	Accepted
78–9	Ontario Graduate Scholarship Stipends, 1979–80	Accepted
	(Advisory Memorandum 78–III)	
78–10	Establishment of an Institutional Master's and Graduate Diploma Formula Funding Base	Accepted
78–11	Establishment of an Institutional Doctoral Formula Funding Base	Accepted
78–12	Distribution Mechanism for Master's and Graduate Diploma Program Formula Grants During the First Quin- quennium	Accepted

78–13	Distribution Mechanism for Doctoral Program Formula Grants During the First Quinquennium	Accepted
78–14	Funding of Particular Graduate Programs	Accepted
	(Advisory Memorandum 78–IV)	
78–15	Mechanism for Degree and New Diploma Program Approval at Ryerson Polytechnical Institute	Accepted
78–16	Interim Arrangements and Procedures for Funding of Existing Degree Programs	Accepted
78–17	Funding Approval for New Degree Programs	Accepted
78–18	Funding Approval for Existing Diploma and Certificate Programs	Accepted
78–19	Funding Approval for New Diploma Programs	Accepted
78–20	Funding Approval for New Certificate Programs	Accepted, with clarification; see correspondence which follows this table
	(Advisory Memorandum 78–V)	
78–21	Northern Ontario Grants 1979–80	Accepted
78–22	Bilingualism Grants 1979–80	Accepted
78–23	Supplementary Grants 1979–80	Accepted
78–24	Grant to the Law Society of Upper Canada on Behalf of the Bar Admission Course 1979–80	Accepted
78–25	Graduate and Undergraduate BIU Values for 1979–80	Accepted

### Advisory Memorandum 78-II

Extract from a letter dated 25 July 1978 from the Honourable Harry Parrott, D.D.S., to Dr. W. C. Winegard

"Recommendation 78-4 (77-1) (76-2) (75-3)

Council has recommended that Ontario Graduate Scholarships be equally open to Canadian citizens and to persons who hold landed immigrant status as of the

official annual closing date for applications.

I have decided to ease the restrictions on landed immigrants by allowing landed immigrants who have held landed immigrant status for one year prior to the application date to compete with Canadian citizens for the open awards. I feel that this is a very fair approach and one which should become a permanent feature of the program. The one-year residency requirement is consistent with the requirement for the Canada Council awards, as well as for both the federal and provincial student assistance programs.

Recommendation 78-5 (77-2)

In view of my decision regarding recommendation 78–4, the special category of restricted scholarships will be opened to visa students and to landed immigrants who have resided in Canada for less than one year."

### Advisory Memorandum 78-IV



Office of the Minister Ministry of Colleges and Universities 416/965-5277

Mowat Block Queen's Park Toronto, Ontario

February 12, 1979

Dr. W. C. Winegard, Chairman, Ontario Council on University Affairs, 7th Floor, 700 Bay Street, Toronto, Ontario.

Dear Dr. Winegard:

I have now reviewed OCÚA Advisory Memorandum 78 IV, "Program Funding Approval Procedures for Ryerson Polytechnical Institute".

All recommendations on approval procedures for programs now receiving interim funding, and those recommendations concerning the establishment of an approval mechanism for new credit programs at the diploma and degree levels, are accepted. Similarly, Recommendation OCUA 78-18 "Funding Approval for Existing Diploma and Certificate Programs", is accepted.

Recommendation OCUA 78-20 entitled "Funding approval for New Certificate Programs" cannot be accepted in its current form. My interpretation of this recommendation is that both credit and non-credit aspects of new certificate courses at Ryerson would be eligible for funding without being subject to the approval mechanism established for new diploma and degree programs. I would be prepared to accept Recommendation OCUA 78-20 if those aspects of certificate programs for which provincial support is sought were subject to some approval mechanism as are new credit diploma and degree programs. In other words, a distinction must be made between the credit and the non-credit functions, even in the certificate area. This is consistent with the general policy in both the college and university systems, whereby non-credit programs may not be identified for funding.

I shall delay release of my response to Memorandum OCUA 78-IV pending clarification of Council's intent in Recommendation 78-20.

Bette Stephenson, M.D., Minister.



Ontario Council on University Affairs 416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

February 15, 1979

The Honourable Bette Stephenson, M.D., Minister of Education, Mowat Block - 22nd Floor, 900 Bay Street, Toronto, Ontario

Dear Dr. Stephenson:

In response to your concerns about the funding of certificate programs at Ryerson, let me assure you that Council had no intention of recommending changes in the existing arrangement for funding. Recommendation 78-20 was put forward to separate the program approval method for certificates from that recommended for diploma and degree programs. Council has authorized me to inform you that, in its opinion, the existing funding arrangements should continue. Only those courses in certificate programs that are also approved courses in a diploma or degree program should be eligible for counting. Noncredit courses should be ineligible for funding. By this method, we have insured that credit courses which are eligible for funding in certificate programs will have already been approved as part of an existing degree or diploma program.

Yours sincerely,

W. C. Winegard Chairman



Minister of Education

Mowat Block Queen's Park Toronto, Ontario M7A 1L2 416/965-5277

February 28, 1979

Dr. W.C. Winegard Chairman Ontario Council on University Affairs 7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

Dear Dr. Winegard:

Thank you for your letter of February 15, 1979, in which you clarify Council's intent with regard to Recommendation 78-20 of Advisory Memorandum 78-IV.

The Memorandum is now accepted, in full, subject to the clarification contained in your letter.

I shall release the Memorandum to Ryerson Polytechnical Institute and the system, via COU, immediately.

Yours truly,

Bette Stephenson, M.D. Minister.









CA 26N DG 705 - A56

1979-80

Ontario Council on University Affairs

Sixth Annual Report



# Ontario Council on University Affairs

Sixth
Annual
Report
March 1, 1979
to
February 29, 1980

700 Bay Street, Seventh Floor, Toronto, Ontario M5G 1Z6

Telephone: (416) 965-5233

March, 1980



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#### **Letter of Transmittal**



Ontario Council on University Affairs 416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

February 29, 1980

The Honourable Bette Stephenson, M.D., Minister of Education/Colleges and Universities, 22nd Floor, Mowat Block, Queen's Park, Toronto, Ontario

Dear Dr. Stephenson:

I respectfully submit herewith the Sixth Annual Report of the Ontario Council on University Affairs. This Report covers the period from March 1, 1979 through February 29, 1980.

Yours sincerely,

W. C. Winegard Chairman

# Members and Officers of the Ontario Council on University Affairs 1979-80

Rt. Rev. Walter Bagnall (1982) Hamilton

Norma V. Bowen (1981) Guelph

Antoine D'Iorio (1980) Ottawa

J. Stefan Dupré (1980) Toronto

James D. Fisher (1980) Toronto

Lin Good (1980) Kingston

Margaret Hamilton(1982) Toronto

T. Rosaire Léger (1981) Cornwall

G. Milton Mackenzie (1980) Toronto

Alexander L. McCallion (1980) Hamilton

Allan K. McDougall (1981) London

Jean Millar (1982) Sioux Lookout J. Fraser Mustard (1981) Hamilton

Margaret F. Orange (1981) Sudbury

Marilyn L. Pilkington (1982) Toronto

R. Peter Riggin (1981) Toronto

Nora Sanders (1980) Kingston

Robert B. Taylor (1982) Toronto

H. Harold Walker (1982) Toronto

William C. Winegard (1981) Chairman Georgetown

Sam Hoffer (to February 1980) Senior Research Officer

Ronald N. McDougall Senior Research Officer

Eleanor M. Harrison Research Officer

J. Paul Stenton (from February 1980) Research Officer

Members' terms expire on February 28 of the year indicated in parentheses





#### Introduction

The Sixth Annual Report of the Ontario Council on University Affairs covers the period March 1, 1979 to February 29, 1980 and contains the full text of all Advisory Memoranda issued in the year. In addition, the present report contains the text of a paper released by Council in September 1979 "System on the Brink: A Financial Analysis of the Ontario University System 1979".

The financial analysis showed very clearly that, if Government funding continued to increase only at the rate allowed in 1978-79 and 1979-80, the system would face severe problems. The level of funding announced for 1980-81 does not alleviate Council's

concern about the future of the system and the individual institutions.

Council is now, more than ever, convinced that planning in one institution cannot be divorced from planning in the system as a whole. This attitude was reflected in the discussions about the new graduate programs proposed by the universities for 1980-81 and in the Chairman's letter to each Executive Head concerning the Spring hearings for 1980. In that letter, each institution has been asked to identify its role and how it fits into the total system. A shared understanding of the particular role of each institution is, in the long run, the only basis upon which to make responsible program and thus funding decisions.

In line with this concept, Council has accepted the invitation from the Council of Ontario Universities to "assume a broader role in assisting the universities to coordinate their planning." The Spring 1980 hearings will see the beginning of this new involvement.



## System on the Brink

A Financial Analysis of the Ontario University System 1979



Council's paper of September 1978, *The Ontario University System: A Statement of Issues*, was prepared in response to comments made by the universities and the provincial organizations¹ at the Spring hearings of 1978. In that paper, Council outlined some of the major problems to be confronted in planning for the future of higher education in the Province of Ontario. After defining the generally accepted goals of the universities, Council discussed the question of funding, the development of the academic function of the universities (i.e., undergraduate instruction, graduate instruction, institutional role differentiation, research), and possible alternatives to the existing structures for governing university affairs in Ontario.

The objective at that time was to identify the main areas of concern, to set out some of the options which might be adopted in attempting to reduce or resolve the problems, and to lay the foundation for future discussions with the universities at the hearings in

the Spring of 1979.

During discussion at the 1979 hearings, the universities not only confirmed the seriousness of issues already raised in the OCUA paper, but reminded Council that there were in addition other matters demanding attention. Some of these related to common problems being experienced throughout the system; others were more localized but no less significant. Many institutions felt there was a need for review of existing policy on tuition fees, giving particular attention to the critical questions of accessibility and student assistance. Another general problem stemmed from the continuing high demand for professional and vocational programs and the reduction in enrolment in undergraduate arts and science programs which nonetheless constitute an indispensible core to university offerings and must be maintained as an essential area of study. (At the time this paper is being written, it is interesting to note that, while overall enrolment continues to decline, preliminary indications suggest that for 1979-80 first-year applications in arts and science programs remain relatively constant.) It was evident that there is a great deal of concern about the future of higher education in Northern Ontario; as well, the appropriate role of the polytechnical institution in this province was argued to be in need of examination and definition.

Staffing problems figured prominently in discussions as both faculty and staff groups expressed concern about the level of salaries and the number of positions being removed from the system. Representatives of support staff throughout the province, while reaffirming their willingness to co-operate with the institutions in their efforts to maintain standards in a time of fiscal restraint, emphasized their claims concerning employment inequities, and repeated the caution that there could be a serious deterioration in service if no attempt were made to improve their present position.

On the question of whether there was need for change in the existing structures for governing university affairs in Ontario, the consensus was that, at this time, the present framework did not require substantial change. However, in view of growing concern about the need to co-ordinate development of the graduate enterprise throughout the system, it was suggested that OCUA might consider some expansion of its present activities

Council is aware of the importance of the issues now troubling the university system, and of the need to continue to exchange views on the many critical questions, continuing and emerging, to which answers must be found. It has already considered the question of a policy on tuition fees and submitted an Advisory Memorandum on the subject to the Minister. Recommendations have also been made on funding arrangements for programs at Algoma College, Le Collège de Hearst, and Nipissing College,

<sup>(1)</sup> The Council of Ontario Universities (COU), the Confederation of Ontario University Staff Associations (COUSA), the Ontario Confederation of University Faculty Associations (OCUFA) and the Ontario Federation of Students (OFS)

and Council has agreed to re-examine Ryerson's claim to eligibility for increased

funding.

In addition to these specific issues which are being addressed in memoranda, there are numerous concerns which Council might usefully discuss in this paper. But throughout the Spring hearings it was evident that the overriding problem at this time is financial. It is not surprising that a Government policy of continuing fiscal restraint, added to a pattern of declining enrolment, creates difficulties. However, any discussion of the situation for the university system as a whole should acknowledge the differences which exist among the institutions within that system. The predicament of the institution with a relatively stable enrolment is less critical than that of one where there is a significant decline.

Recognizing that the financial issues are the predominant concern for the universities in 1979, Council, in this paper, first takes a closer look at the current overall financial situation of the Ontario universities and their reaction to fiscal constraint. It then continues with the financial prospect and possible consequences for the univer-

sity system to 1983-84.

The numerous comments by universities on the allocation of funds among institutions have led Council to include a discussion of the present formula and to examine exactly what is happening to the distribution of funds under the existing method of averaged and discounted enrolment.

Another section of this paper is devoted to the problems related to capital funding, and in particular, the lack of sufficient funds for major renovations and repairs.

Council's concern about the research function of the universities has increased to a point where it feels compelled to give special attention to the urgent need for appropriate policy on research and special funding. It is this situation which is addressed in the final section of the paper.

Council hopes that this review of the current and prospective financial situation and its implications will provide some measure of perspective to Government, the universities and the public as they prepare to enter the 1980's. This perspective is bleak. It is that of a university system on the brink of major difficulties.

# **Current Financial Status** of the University System

The constraint on Government expenditures continues to dominate the financial horizon of the Ontario university system. In 1978-79, the increase in the total of university operating grants plus tuition fees was approximately 4.9%, well short of the increase recommended by Council. Fee income actually decreased owing to an enrolment decline of 2.4% (see Appendix A) and constant fee rates. Universities must, of necessity, aim for a balanced budget or small surplus since it is difficult to recover from a large accumulated deficit because revenue sources other than grants and fees are minimal. With revenue increases significantly less than inflation rates, some universities were unable to avoid operating deficits for the year 1978-79, although the system as a whole managed to produce a \$5 million excess of revenue over expenditures. This was accomplished by average economic adjustments in faculty salaries of 3.7% and further cutbacks on non-salary expenditures such as library books and equipment. For a number of years, cuts in these non-salary areas have been the means by which universities coped with financial constraint.

When estimates of declining enrolment and other operating revenues for the current academic year are taken into consideration, the Ontario universities as a system are receiving an approximate 4.5% increase in their total operating revenue. Once again, this increase is below both the 6.15% recommended by Council and current inflation rates. This increase, of course, varies among institutions depending upon the distribu-

tion of formula and non-formula grants.

The magnitude of the constraint problem can be seen in perspective if it is examined in the context of the funding that universities have received during the 1970's. In its Fourth Annual Report, Council noted the achievement of the Ontario university system in responding to the accessibility policy of the Government. It demonstrated that, on average, all additional students taken into the universities between 1970-71 and 1978-79 were accommodated at an income in real terms of approximately 50% of the base level. Table 1 updates the trends in constant dollar grants plus fees per full-time equivalent student. Total operating grants and fees are used since they represent the revenue which is directly or indirectly controlled by Government. Particular attention should be given to Column 6 which illustrates the real decline in funding per student since the beginning of the decade. Despite the enrolment decreases commencing in 1977-78, the grants plus fees per student at \$2512 for 1979-80 have fallen 8.5% below the 1970-71 level. All additional students since 1970-71 have been accommodated in real terms at 49% of the base year income per student.

This trend in funding of universities is in sharp contrast to the funding of the elementary and secondary school systems in Ontario. Provincial grants including provincial contributions to the Teachers' Superannuation Fund plus local tax revenues are a measure of school revenues comparable to provincial grants plus tuition fees for universities. As shown in Table 2, school revenue per pupil rose 35.5% in real terms between 1970-71 and 1978-79, compared with an 8.0% decline in university revenues per student during the same time period. This information is displayed graphically in Figure 1

(a) Interprovincial Comparisons

There is strong evidence that Ontario universities are being placed under more stringent financial limitations because of grant constraints than the universities in most other Canadian provinces. A recent study of interprovincial comparisons of university revenues and expenditures' developed eight indicators aimed at comparing how much financial support is provided to each university system. Table 3 provides the values of some of these indicators for the period 1974-75 to 1976-77 and the ranking for each province.

These data reveal that in terms of operating grants per student, Ontario had declined in rank to sixth among the provinces by 1976-77. Ontario's total operating income per student ranked seventh in that year. In both cases, Ontario is significantly below the Canadian average. When the study's five indicators aimed at comparing financial support to each university system during the period 1974-77 are examined, it is noteworthy that Ontario is the sole province whose ranking has declined in all of the indicators.

As seen from Table 4, which indicates the changes in grants, fees and enrolment that have occurred in each province since 1976-77, the situation for Ontario universities has not improved relative to those in other provinces. Over the last two years, Ontario universities have received smaller grant increases than universities in every other province except Manitoba.

<sup>(1)</sup> Interprovincial Comparisons of Unversity Expenditures, Report of the Tripartite Committee on Interprovincial Comparisons— May 1979. This Committee is composed of one representative from each of OCUA, COU and MCU.

Table 1

Trends in Constant Dollar Grants plus Fees per Full-Time Student Equivalent

190,327.7 2555 185,448.6 2525
185,448.6
180,812.4

Notes: 1. Total provincial grants include formula, non-formula, and Ministry of Colleges and Universities line-item grants.

2. CPI is estimated to increase by 8% in 1979-80.

3. Enrolment and the related formula fees are estimated to decrease by 2.5% in 1979-80. Total formula fees will however rise because of the 5% increase in formula fee rates.

4. The additional revenue resulting from the foreign fee supplement has been included commencing in 1977-78. For 1978-80, this is estimated to be \$6.0 million.

Table 2

#### Comparison of Funding Per Student in University and Elementary and Secondary Schools in Ontario

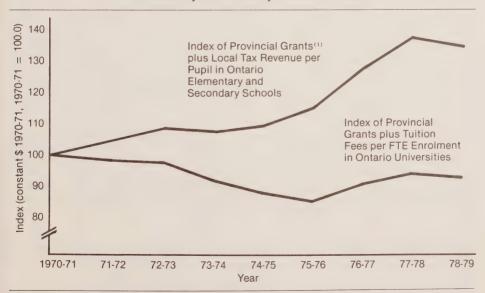
Index of Provincial Grants plus Tuition Fees per FTE Enrolment in Ontario Universities	Index of Provincial Grants plus Local Tax Revenue per Pupil in Ontario Elementary and Secondary Schools
100.0	100.0
98.5	105.5
98.1	108.0
90.8	106.9
86.5	109.1
85.4	113.4
89.8	127.4
93.0	137.5
92.0	135.5
	plus Tuition Fees per FTE Enrolment in Ontario Universities  100.0 98.5 98.1 90.8 86.5 85.4 89.8 93.0

Note: 1. Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Source: The university index is from Table 1. Data used for the derivation of the elementary and secondary school index were obtained from the Operations Analysis and Management Development Branch, Ministry of Education.

Figure 1

#### Comparison of Funding per Student in Universities and Elementary and Secondary Schools in Ontario



(1) Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund. Source: Table 2

Table 3

Interprovincial Comparisons of University Grants and Revenue 1974-75 to 1976-77

		Provincia	Provincial Operating Grants per Student	g Grants pe	er Student			Total O	perating Ir	Total Operating Income per Student	Student	
	197	974-75	197	975-76	1976	1976-77	197	1974-75	197	975-76	197	1976-77
	69	Rank	↔	Rank	↔	Rank	↔	Rank	↔	Rank	69	Rank
British Columbia	2981	က	3577	က	4014	က	3631	2	4310	2	4836	2
Alberta	2962	4	3545	4	3982	4	3458	00	4039	5	4578	4
Saskatchewan	2812	9	3324	5	3633	2	3541	9	4150	4	4462	5
Manitoba	2591	00	3012	7	3446	7	3030	0	3579	O	3996	∞
Ontario	2838	5	3085	9	3467	9	3575	3	3808	80	4184	7
Quebec	3064	2	3769	2	4147	2	3545	2	4268	ო	4692	က
New Brunswick	2639	7	2934	6	3345	∞	3488	7	3948	7	4415	9
Nova Scotia	2484	0	2939	∞	3221	6	3640	-	4014	9	3907	6
P.E.I.	2287	10	2424	10	2715	10	2885	10	3015	10	3330	10
Newfoundland	3094	-	3899	_	4463	-	3560	4	4413	-	5028	-
Canada	2888		3352		3735		3532		4017		4418	

Source: Report of the Tripartite Committee on Interprovincial Comparisons, pages 5, 9.

With this general perspective of the financial stringency facing the Ontario universities, it is appropriate to examine what is happening in the university system in response to this situation.

#### (b) Faculty and Staff Resources

According to data provided by the Council of Ontario Universities, the number of full-time equivalent faculty members in Ontario universities¹ declined in 1978-79 for the first time in recent years from 13,188 in 1977-78 to 13,153. By October 1979, it is anticipated that there will be 12,925 full-time equivalent faculty, a 1.7% decline from 1978-79.

The proportion of total faculty who are on part-time appointments has diminished. Of those who are on full-time appointments approximately 85% are tenured or in the tenure stream and over 65% of full-time faculty are either full professors or associate professors. The average age of full-time faculty members in Ontario universities is approximately 43 in 1979 with only 12% of them scheduled to reach retirement age in the next ten years. This makes it extremely difficult for universities to offer teaching and research careers to young people, a situation which will cause further age distribution problems in the near future. The age distribution will be further exacerbated when the sizable group now in the mid-40's age group reaches retirement.

Universities have chosen to maintain faculty numbers by reducing their expenditures on non-salary items, by paying salary increases which are less than inflation, and by budgeting for deficits. Economic adjustments for faculty averaged 3.7% in 1978-79. This compares with a 6% economic adjustment for the Scientific and Professional category and Management of Excluded Groups of the Ontario Public Service in 1978-79. In that year salaries paid by universities to full-time faculty members averaged approximately \$30,200. Average economic adjustments for 1979-80, estimated at 5.5%, are still below current inflation rates and yet, many institutions are budgeting for an operating deficit. The adjustments for non-salary expenditures will be discussed below.

Despite the planned decrease of 228 in full-time equivalent faculty for 1979-80, the total number remains slightly above the 1975-76 level. For that same time period, full-time equivalent enrolment will have decreased 7.1% in the university system if an estimate of enrolment is made for 1979-80. Consequently, student-faculty ratios in the system as a whole will have decreased from 14.4 to 1 to approximately 13.3 to 1. This is understandable to the extent that increased student demand in some areas such as business programs has forced universities to add faculty positions. Also, there is a need to maintain faculty members in certain areas of scholarship even if student demand is small because universities must provide a range of programs for education in the arts and sciences.

Slightly larger adjustments have been made in the number of non-academic staff positions. In part, this is made possible because attrition is generally higher in non-academic positions than among the teaching faculty. Data provided by the Council of Ontario Universities indicate that there was a 1.1% decline in the number of non-academic staff positions in 1978-79 and a further 3.3% decrease will occur in 1979-80. This will cause cutbacks in service levels as duties are reassigned among remaining staff.

#### (c) Equipment

The price for universities of maintaining the numbers of teaching faculty and staff until 1978-79 was the consequent need for a reduction in expenditures on non-academic

<sup>(1)</sup> Not included in this total are Algoma, Nipissing, Hearst, and Dominican Colleges, the Ontario College of Art, and the church-related affiliates of the provincially assisted universities. It is estimated that there were approximately 700 FTE faculty members in these colleges in 1978-79.

				Table 4					
		T.	terprovincial (	Interprovincial Comparisons, 1977-78 to 1979-80	1977-78 to 197	08-6			
	% Ir	% Increases in Grants	ants	% Incre	% Increase in Fee Rates(1)	ates(1)	% Chan	% Change in FTE Enrolment(2)	olment <sup>(2)</sup>
	1977-78	1978-79	1979-80	1977-78	1978-79	1979-80	1977-78	1978-79	1979-8
British Columbia	8.3	8.7	8.3	25.0	0.0	0-8.3	-1.2	1.1	0.7
Alberta	10.0	8.3	8.0	0.0	10.0	0.0	-0.6	-3.2	-1.3
Saskatchewan	9.8	9.8	7.0	10.0-10.6	8.2-9.2	5.0-6.3	-0.8	-3.0	-3.0
Manitoba	11.8	2.4	6.1	0.0	20.0	5.5	0.0	-5.7	0.0
Ontario	8.4	2.5	5.0	16.0	0.0	2.0	-3.0	-2.4	-2.5
Quebec	16.0	13.2	8.9	0.0	0.0	0.0	4.6	4.8	4.0
New Brunswick	8.1	6.7	8.8	6.1	2.7	6-10	-0.4	-1.3	0.0
Nova Scotia	7.2	8.8	5.5	5.2	1.0	6-10	0.3	-2.4	0.0
P.E.I.	5.9	5.4	8.8	1.8	10.3	6-10	3.7	-9.3	0.0
Newfoundland	2.7	4.9	8.3	N.A.	A.A.	Y.Y.	-9.3	-1.0	3.3

| 8 |

(1) Fee increases may differ among institutions and programs within institutions. When no range of increases is provided, the figure represents a rough average of fee increases across the province.

(2) Enrolment changes for 1979-80 are estimated.

items. For the last two years, Council has heard numerous pleas from the universities for increased financial support for two particular items: scientific equipment and library acquisitions. The universities argue that they cannot undertake an adequate research effort without appropriate equipment and library holdings. In recognition of the equipment problem Council has provided an allowance for equipment and furniture in its funding advice for the last four years. However, universities have not spent this amount on equipment and furniture, primarily because the total funding forthcoming from Government has been inadequate, and also because they have chosen positions and salaries as a priority. Table 5 indicates the amounts spent on equipment and furniture in 1976-77 and 1977-78. Preliminary data indicate that expenditures on equipment and furniture have decreased slightly in 1978-79 and are anticipated to decline further in 1979-80.

In the case of equipment, the problem becomes complex because the equipment currently on university campuses has been purchased with funds from several sources. This was the practice in the 1960's. Much of the equipment has been bought with operating funds, but a large segment of the scientific equipment has been funded by one or other of the national research agencies. In addition, some of the capital funds provided by the Provincial Government for new buildings included an allowance for equipment and furniture for these buildings. It is estimated that the current replace-

Furniture and Equipment Expenditures from Operating Income (\$000)

Table 5

	1976-77	1977-78	
Brock	271	238	
Carleton	1023	1209	
Guelph	1633	1482	
Lakehead	291	355	
Laurentian	188	307	
Nipissing	63	33	
Hearst	68	17	
McMaster	1414	1718	
Ottawa	1301	1395	
Queen's	1574	803	
Toronto	4704	5841	
Trent	160	138	
Waterloo	2432	3099	
Western	3138	3336	
WLU	574	556	
Windsor	1064	1010	
York	1210	948	
Ryerson	2057	1941	

251

23.416

Source: COFO-UO Financial Reports for 1976-77 and 1977-78.

OISE

TOTAL

Note: Data were not available for Algoma College in 1976-77 and therefore Algoma has been excluded from the table.

260

24,686

ment value of equipment and furniture in the Ontario university system is approximately \$800 million. Of this total, about one-half was originally purchased from capital funds, just over 30% from operating funds, another 17% from research funds, with the remainder being purchased from trust and endowment funds.

Because there is a virtual embargo on new construction, capital funds are no longer available for equipment. In addition, the restraints on the research grants of the federal agencies and the provincial operating grants mean that it is difficult to find sufficient

funds from these sources. Hence the problem for the universities.

The problem from another perspective is to determine an appropriate amount of annual expenditure on equipment and furniture. The demand for new equipment can be triggered by obsolescence or breakdown of existing equipment, technological innovation, and the development of new research areas.

Studies by the Universities of Toronto and Guelph a few years ago indicated that equipment and furniture will require replacement, on average, every 12 years. The application of this factor to the existing inventory would suggest that about \$67 million should be spent annually to replace depreciated equipment. It might be argued that not all of this should come from operating funds, but that some equipment and furniture replacement should be financed from research and trust funds. Even if one-third of the required amount was expected to come from other than operating funds, universities are currently spending slightly more than one-half of the remaining \$45 million that should be met from operating funds.

#### (d) Library Books and Periodicals

One of the most prevalent complaints heard from universities this Spring was the lack of adequate resources for purchasing books and periodicals. Part of this problem results from the general financial constraint and the priority being accorded to salaries, but libraries face additional stumbling blocks. Library books have been rising in price much faster than general inflation rates. A large percentage of a university's books and periodicals are published outside Canada. Consequently, the declining value of the Canadian dollar in the last two years has allowed fewer books to be purchased. Table 6 takes into account the increase in book and periodical prices and shows the value in constant dollars of library acquisitions in the Ontario university system. Since 1972-73, the total value of acquisitions of books and journals declined by over 30%. This reflects the fact that some universities were still building up their collections in 1972-73 and that most universities have made deliberate and justifiable attempts in recent years to cut back on purchases of periodicals. However, the decline in funds available is now causing real difficulty in the ability of universities to maintain adequate collections. Many more books are published annually now than in 1972-73. To maintain collections, therefore, requires more purchases.

The question of the appropriate level of library acquisition expenditures hinges directly upon a definition of an adequate collection. What criteria can be used for determining the adequacy of the collection? Should these criteria be the same for all institutions? What co-operative measures for library purchases could be used to fill gaps in collections?

In the late 1960's and early 1970's, a number of formulae were being used in North American universities to assess the adequacy of collections. These formulae did not gain wide acceptance among experts except from a very broad perspective. Depending on the particular formula chosen and the disciplines offered at a university, very different results as to the adequacy of collections could be obtained.

At the graduate level, it has always been felt that some co-ordination of collections should take place. It is not expected that all libraries could provide a full research base

Table 6

Expenditures on Library Acquisitions from Operating Income (\$000's constant 1972-73)

									% Change 1972-73
	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1979-80
Brock	213	214	252	264	219	208	165	149	-30.0
Carleton	824	847	866	650	681	685	517	445	-46.0
Guelph	595	809	635	505	635	550	519	532	. 5.8
Lakehead	287	296	263	236	257	258	205	186	-35.2
Laurentian	300	254	246	218	200	192	156	152	-49.3
McMaster	830	915	974	860	1,016	894	915	882	6.3
Ottawa	1,378	1,210	1,048	844	762	704	702	662	-52.0
Queen's	1,001	817	898	716	602	612	605	563	-43.8
Toronto	2,222	2,209	1,902	1,853	1,693	1,653	1,544	1,627	-26.8
Trent	235	195	252	241	235	230	196	187	-20.4
Waterloo	933	286	266	992	762	794	673	695	-25.5
Western	1,352	1,029	1,097	1,108	1,246	926	932	949	-29.8
Wilfrid Laurier	235	273	436	365	361	345	293	241	2.6
Windsor	605	675	756	635	693	602	466	438	-27.6
York	1,320	1,187	866	934	819	741	670	717	-45.7
Ryerson	250	278	337	77	227	198	117	154	-38.4
OISE	128	125	116	06	62	80	65	68	-46.9
TOTAL	12,678	12,119	12.043	10.362	10 594	9 702	8 740	8 647	.21 B

Note: The price deflator used for calculating constant dollar values was the Books and Periodicals component of the Ontario Universities' Non-Salary Price Index. Source: Council of Ontario Universities. for graduate students and faculty. Some co-operation in acquisitions is occurring, particularly with respect to journal collections. Can such co-ordination be carried further?

The cost of transport and processing of interlibrary loans may make further joint acquisition policies uneconomical. If a university has to borrow a book from another library more than three times, it would have been better off to purchase the book itself.

It is clear that adjustments have been made in acquisition policies in response to fiscal constraint. Costs, however, do continue to escalate and if individual universities are to maintain their collections, further difficulties will be encountered. In the absence of any means of assessing the adequacy of collections, Council has no way of determining the magnitude of the problems, but nevertheless believes that these are real.

The current financial position of the universities might then be summarized as follows. In terms of government support per student, the Ontario university system not only lies well below the average of all Canadian provinces, but also has been falling further behind other provinces in recent years. Within the Ontario education system, universities are not maintaining their funding priority. In real terms since 1970-71, funding per pupil to the elementary and secondary school sector has been rising while funding per student in the university system has declined.

Universities have begun the difficult adjustment to fiscal constraint. Faculty members have started to decline and further planned reductions are expected in the coming year; support staff totals continue to shrink as positions are eliminated and duties reassigned to those staff remaining; enforced cuts in non-salary expenditures have resulted in an alarming level of deterioration of equipment and a marked decrease in library purchases.

These symptoms of change in the university system should not be ignored. They are signs that the universities now stand at the brink of a decline which threatens the continued existence of a quality university system in Ontario.

### **Future Funding for the Universities**

In *The Ontario University System:* A Statement of Issues, Council provided a financial outlook to 1981-82 based on stated Government policy of balancing the provincial budget by 1980-81. In addition, Council developed some models to assess some of the implications of this policy for the universities. What follows is an updated version of this work based on a modified Government fiscal policy and the experience of the 1978-79 fiscal year.

Because of slower revenue growth than expected, the Ontario Government has changed its fiscal plan to "achieve a gradual reduction in cash requirements rather than to target for specific revenue and expenditure growth rates. A reduction in cash requirements towards a zero position over the medium term requires that an average differential in the range of 2.5% between the rate of revenue growth and the rate of spending growth be maintained." If this average differential can be achieved there would be a surplus of revenue over expenditures by 1983-84. Table 7 illustrates one possible forecast for Ontario Government expenditures and revenues which allows for a breakdown budget in 1983-84. Revenues are assumed to increase at an annual rate of

		Ontario Governm	Ontario Government Revenue and Expenditures 1978-79 to 1983-84	enditures	
	1978-79	1979-80	1980-81	1981-82	1982-83
	13,145	14,405	15,846	17,430	19,173
— % increase		9.6	10.0	10.0	10.0
\$millions	14,482	15,558	16,711	18,007	19,462
- % increase		7.4	7.4	7.8	8.1
- \$millions	-1,337	-1,153	-865	-577	-289

1983-84

21,090

21,090

8.4

0

Notes: 1. Revenue is assumed to increase at 10.0% per annum commencing in 1980-81.

2. The budgetary deficit is assumed to decrease linearly from its projected -\$1,163 million in 1979-80 to zero in 1983-84. The expenditures necessary to produce these deficits can then be

3. Revenue and expenditure data for 1978-79 and 1979-80 are obtained from Ontario Budget 1979, page facing page 1, and include budgetary revenue and expenditure as well as non-budgetary receipts and credits, disbursements and charges.

10% commencing in 1980-81. This assumption is consistent with the Government's forecast revenue increase of 9.6% for 1979-80. The deficit has been assumed to decrease in a linear fashion annually so that the breakeven position is reached in 1983-84. Total Government expenditures are estimated to rise by 7.4% in each of 1979-80 and 1980-81. In the subsequent years, expenditure increases are estimated to be slightly higher, reaching 8.4% in 1983-84.

Council has chosen to use only one model this year to illustrate the effects of the Government fiscal plan on the university system. This model is based on the assumption that increases in provincial grants to universities until 1983-84 will retain the same relative priority to increases in grants for other Government programs as they had in 1978-79.

The following assumptions are built into the model: (1) The inflation rate used throughout is 8% per anum; (2) Enrolment is forecast to decline according to long-range projections made by the COU Committee on Enrolment Statistics and Projections: 2% in 1980-81, 1.5% in 1981-82, and 1% in 1982-83. For 1983-84, Council has taken the Committee's suggestion of an increasing rate of decline and has chosen 2%; (3) Although future tuition fee policy has not yet been established, Council assumes that fee rates will increase annually by the same percentage increase as Government operating grants; (4) Although there have been small annual increases in other university operating revenue, this model assumes that such revenue will remain at its 1979-80 level throughout the entire planning period. This is consistent with the difficulties expressed by universities in finding sources of other revenue.

It should be noted that the institutions included in this analysis are the fifteen provincially assisted universities, their affiliates, Dominican College, Ryerson Polytechnical Institute, the Ontario College of Art, and the Ontario Institute for Studies in Education. Only operating funds are being considered in this model. Research, trust and endowment funds are excluded.

The following table shows the revenue to 1983-84 for the university system under the assumptions of the model:

Tabl	e l	

## University System Revenue Generated by Model (\$ millions)

	1979-80	1980-81	1981-82	1982-83	1983-84
Grants					
(% increase)	775.9	815.5(5.1)	859.5(5.4)	907.6(5.6)	960.3(5.8)
Fees	145.1	149.5	155.2	162.3	168.2
Other Revenue	60.1	60.1	60.1	60.1	60.1
Total	981.1	1025.1	1074.8	1130.0	1188.6
% Increase		4.5	4.8	5.1	5.2

The level of university revenue increases shown in this table should not be interpreted as Council's plan for university funding to 1983-84. It is simply an estimated result of a

stated Government policy under a particular set of assumptions.

To assess the implications of these revenue levels, Council comapres them to the expenditure level that would be entailed if the university system were to maintain the existing faculty and staff complement, to provide annual inflation (8%) and progressthrough-the-ranks (2%) increases for the salaries and fringe benefits for the faculty and staff complement, and to maintain the existing level of non-salary expenditures adjusted annually for general inflation (8%). This inflation level does not take into account the price increases that affect these items as shown in the Ontario Universities' Non-Salary Price Index.

		Table 9			
	Postulated	University System (\$ millions)	em Expenditure )	s	
	1979-80 Estimated	1980-81	1981-82 Proje	1982-83 ected	1983-84
Salaries and Fringe Benefits Non-salary	792.7	872.0	959.2	1055.1	1160.6
Items Total	188.4	203.5	219.7	237.3	256.3
Expenditures	981.1	1075.5	1178.9	1292.4	1416.9

The postulated university system expenditures are compared with the revenues of the model in Table 10, which also presents the effects of three options which are open to the universities for dealing with the resulting shortfall of revenue:

Option (a) - faculty and staff salary and benefit expenditures should absorb the entire shortfall:

Option (b) - non-salary expenditures should absorb the entire shortfall;

Option (c) - all operating expenditures should share equally in the shortfall.

It should be noted that the analysis in Table 10 is from the university system viewpoint and that individual institutions may react in a variety of ways because of differing priorities and degrees of pressure. The three options chosen are meant as illustrations of the methods available to the university system for coping with the excess of expenditures over revenues. Many variations on these are possible. For example, a decrease in faculty and staff expenditures may be accomplished through salary increases less than the postulated level, by cuts in the number of faculty and staff positions, or some combination of the two. There may also be ways of augmenting revenues above the levels suggested in Table 10 such as tuition fee increases or expanded other revenues. The effects of the shortfall of revenue below postulated expenditures are accumulated over the period to 1983-84, simply to illustrate the magnitude of the total changes required.

Table 10

	Implications of Revenue Forecasts				
		1980-81	1981-82	1982-83	1983-84
1.	Postulated Expenditures (\$ millions) (from Table 9)	1075.5	1178.9	1292.4	1416.9
2.	Revenue (\$ millions) (from Table 8)	1025.1	1074.8	1130.0	1188.6
3.	Accumulated shortfall (\$ millions) (Postulated expenditures less revenue)	50.4	104.1	162.4	228.3
4.	Illustrative options available to university system to match shortfall:  (a) accumulated % decrease in faculty and staff salary and benefits expenditures if these absorb the entire shortfall,	5.8	10.9	15.4	19.7
	OR  (b) accumulated % decrease in non-salary expenditures if these absorb the entire shortfall,	24.8	47.4	68.4	89.1
	OR				
	(c) accumulated % decrease in total operating expenditures if all areas of budget absorb the shortfall equally	4.7	8.8	12.6	16.1
5.	Accumulated number of <i>faculty</i> (in addition to staff) positions removed implied by each option if cuts are made from positions:				
	(a)	790	1485	2098	2684
	(b) (c)	0 640	0 1199	0 1717	0 2194
6.	Student-faculty ratios implied by each option in 5. above:				
	(a)	13.8	14.4	15.0	15.5
	(b) (c)	13.0 13.6	12.8 14.0	12.7 14.5	12.4 14.8

Table 10 can be explained by referring to the 1983-84 column. The excess of postulated expenditures over revenue in that year is \$228.3 million. If the university system chose to offset the entire shortfall by decreasing faculty and staff salary and benefit expenditures (Option a) these expenditures would have to be cut by 19.7% in 1983-84. This would mean that 2684 faculty positions would have to be removed, bringing the student-faculty ratio to 15.5. A corresponding number of staff positions would have to be removed.

On the other hand, if non-salary expenditures are to absorb the entire shortfall

(Option b), these expenditures would have to be cut by 89.1% in 1983-84, a clearly impractical solution. This would not require the removal of any faculty or staff positions with the result that the student-faculty ratio would improve to 12.4.

If all operating expenditures are expected to absorb the shortfall equally (Option c), a 16.1% decrease in total expenditures will be necessary. This implies a faculty reduction of 2194 positions, a corresponding decrease in staff positions, and a student-faculty ratio of 14.8.

If attrition from the university system yields a reduction of 250 faculty positions per year until 1983-84, Option (c) in Table 10 indicates that the universities would need to remove an additional 1194 faculty positions (2194–1000) by other means if faculty salary increases were paid at the rate envisaged in the postulated expenditures. In any given year, for each 1% of the faculty salary budget below the postulated level, approximately 100 fewer positions would have to be removed. In addition, each 1% increase in tuition fees which is not offset by a decrease in Government grants would provide funds for over 30 faculty positions.

The above examples provide an illustration of some of the options available to

universities for dealing with financial constraint.

It is interesting to note how the university system is reacting for 1979-80 in comparison with the model which Council used in its 1978 paper. Council's Model 2 in that paper had suggested that revenues would increase 4.4%. It now appears likely that actual revenues will increase by somewhat more in 1979-80, leaving the university system with \$3.8 million more than Council's model suggested. On the expenditure side, total salary settlements will not differ greatly from the 6% plus 2% used by Council. Council had suggested that it would be necessary to remove 378 faculty positions and an equivalent expenditure on staff positions if all areas of the budget were to absorb the shortfall equally. It appears that about 228 faculty positions have been removed from the university system. In addition, about 3.3% of staff positions have been removed. Rather than cut faculty and staff positions further, universities are choosing to keep non-salary expenditures below those postulated in Council's model, to use some of their remaining operating reserves, and to incur operating deficits. Nonsalary expenditures in 1979-80 are budgeted to remain at their 1978-79 level for the system. Most universities have little or no reserves and the choice of budgeting for a deficit is not open to many.

Do any of the options of Table 10 offer a direction for the future? Council has consistently stated that the universities should be able to adapt to declining enrolment and to Government expenditure restraint if the consequent fiscal changes occur at an appropriate rate. If university employees are expected to bear the entire brunt of financial constraint (Option a), large reductions in positions or substantial real salary reductions would be compressed over a very short time period. The deleterious effects of following this option on the quality and range of educational opportunity and on the

universities' research function could only be profound.

The second option, that of placing all necessary reductions on non-salary expenditures, is not feasible. If non-salary expenditures were to be savaged by 89.1% in 1983-84, the universities would clearly be incapable of carrying on any of their functions.

Even the third option, which spreads the reductions over all expenditure areas, provides little assistance. A 16.1% decline in expenditures requires adjustments which are even greater than expected changes in enrolment. A reduction of this magnitude in library acquisitions and equipment expenditures will exacerbate what has been shown in Section 2 to be an already critical situation. It is unlikely that the research enterprise will be able to withstand such adjustments.

It is evident, then, that any of the three options examined by Council suggests that the brink on which the university system now stands is one of precipitous decline.

### Allocation and the Formula

Until this point, the pressures being discussed in this paper have been viewed from a system-wide perspective. These pressures, however, fall unevenly on individual institutions. A great deal has already been done to ensure that the formula for allocating operating grants' cushions a university's grant income against enrolment fluctuations. Nonetheless, some universities are still expressing concern about the formula.

Some of the concerns result from the fact that because of the averaging and discounting of enrolment in the formula, universities with relatively good enrolment levels are forced to help financially those who are not as fortunate with enrolment. Some of those who are helping the rest of the system feel that they are receiving inequitable treatment. On the other hand, those losing significant enrolment want a greater degree of protection against the fiscal consequences of enrolment decline.

The University of Windsor's concern for the need for more buffering than the present formula provides led it to recommend to Council that thought be given to providing a floor below which the rate of increase in a university's revenue will not be permitted to fall. Windsor suggests that as a possibility a university should receive a revenue increase at least equal to one-third of the percentage increase during the preceding year of the Ontario Universities' Non-Salary Price Index. Any shortfall would be made up by a supplementary stabilization grant. There are a couple of problems with this approach. Firstly, this stabilization grant would have to come from the existing global funding. Secondly, is it reasonable to incorporate more enrolment protection? Some incentive must remain for universities to adjust to lower enrolment levels.

The University of Toronto Faculty Association (UTFA) takes a completely different view of the formula. In its brief it uses a five-university model to illustrate that, with different enrolment patterns in each university, there will be great discrepancies in the support per student which institutions will receive at the end of the period of decline. Institutions with the largest enrolment decline will be receiving the greatest support per student. This, according to UTFA, violates the principles of equity and accountabil-

itv.

UTFA has subsequently argued, and has done so correctly, that it is possible for a university to lose more than 50% of the funding that would be lost if funding were allocated on a current enrolment basis. This occurs because enrolment in the entire system is declining and because, unfortunately, total system funding is not matching Council's funding advice. Every institution must share the consequences of both of these trends in addition to the relative enrolment shifts among universities. What remains true is that no university will lose more than 50% of its base funding units. However, the unit value (in real terms) will decrease if total Government funding does not recognize the discounting of enrolment. Consequently a university can lose more than 50% of its base revenue if its enrolment falls significantly. To illustrate, the effects of the present system of discounted enrolment funding a model similar to that produced by UTFA is provided in Appendix B.

What is happening with the present formula? The three-year moving average and enrolment discounting do provide a greater degree of funding stability than a simple current-year enrolment formula. Fluctuations in institutional income as a result of enrolment change are lessened. But if there is to be such buffering built into the allocation system, the additional protection provided for those losing enrolment must be paid for by those who are relatively better off in terms of enrolment trends.

Tables 11 and 12 show clearly the redistribution that has occurred in the Ontario

<sup>(1)</sup> See Advisory Memoranda 76-VII and 78-III for a full description of the enrolment averaging and discounting mechanisms in the operating formula.

Table 11

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	1974-75	1975-76	1976-77	1977-78	1978-79
	↔	↔	↔	↔	69
Brock	1,872	1,956	2,241	2,526	2.933
Carleton	1,944	1,983	2,256	2,611	2.854
Guelph	1,776	2,011	2,221	2,473	2.813
Lakehead	2,155	2,164	2,383	2,484	2.769
Laurentian	1,935	2,195	2,334	2,659	2.796
Algoma	2,115	2,250	2,694	2,996	3.276
Nipissing	1,565	1,608	1,866	2,274	3.252
Hearst	1,886	2,361	2,713	3,949	2.882
McMaster	1,802	1,975	2,258	2,547	2.788
Ottawa	1,839	1,984	2,218	2,560	2,664
Queen's	1,871	2,010	2,207	2,458	2.661
loronto	1,863	2,055	2,290	2,590	2.672
Trent	2,301	2,449	2,604	2,753	3.129
Waterloo	1,907	1,988	2,171	2,481	2.702
Western	1,837	2,001	2,292	2,559	2.807
Wilfrid Laurier	1,910	1,894	2,215	2,441	2,618
Windsor	1,866	1,852	2,085	2,441	3,022
York	1,891	2,001	2,221	2,596	2,822
Ryerson	1,673	2,011	2,346	2,449	2.585
OISE	1,798	1,962	2,133	2,270	2.389
OCA	1,458	1,585	1,926	2,157	2.379
Dominican	1,078	1,255	1,351	1,554	1,488
TOTAL	1,860	2.006	2.246	2534	0770

Table 12

Differences From Average BOI Plus Supplementary Grants Per Current BIU

	1974-75	1975-76	1976-77	1977-78	1978-79
	↔	↔	↔	↔	↔
Brock	12	-50	ς	φ	191
Carleton	84	-23	10	77	112
Guelph	-84	5	-25	-61	71
Lakehead	295	158	137	-50	27
Laurentian	75	189	88	125	54
Algoma	255	244	448	462	534
Nipissing	-295	-398	-380	-260	510
Hearst	26	355	467	1415	140
McMaster	-58	-31	12	13	46
Ottawa	-21	-22	-28	26	-78
Queen's	-	4	-39	92-	-8-
Toronto	8	49	44	26	02-
Trent	441	443	358	219	387
Waterloo	47	-18	-75	-53	-40
Western	-23	-Ç-	46	25	65
Wilfrid Laurier	50	-112	-31	-93	-124
Windsor	9	-154	-161	-93	280
York	31	5-	-25	62	80
Ryerson	-187	5	100	-85	-157
OISE	-62	-44	-113	-264	-353
OCA	-402	-421	-320	-377	-363
Dominican	-782	.751	-895	086-	1251

university system since 1974-75. The Basic Operating Income plus supplementary grants approximates the funding received by each university and the current Basic Income Units are a measure of the enrolment load on the institution. Special purpose grants such as bilingualism and Northern Ontario grants, all of which have existed for

specific policy purposes, are excluded from this analysis.

For a given year, any university whose Basic Operating Income plus supplementary grants per Basic Income Unit value is greater than the system average for that year is being 'subsidized' by an institution whose corresponding value is lower than the average. This subsidy results from one or more of the following factors: (a) enrolment decline greater than or enrolment growth less than the system average, (b) graduate enrolment lower than the freeze level, and (c) the receipt of a supplementary grant. Because of the averaging and discounting of enrolment in the formula, it may take several years for the effects of a particular year's enrolment level to change the degree of subsidization.

For example, throughout the period 1974-75 to 1977-78, the University of Toronto received more than the system average per BIU. Only in 1978-79 did it start to receive less than the average when the effect of its maintaining enrolment levels in the face of system-wide decline appeared. On the other hand, the University of Windsor was receiving less than the system average during the period of its favourable enrolment experience, but for 1978-79 it received \$280 per BIU more than the system average. Trent University received more than the average throughout the period and continues to do so because of its supplementary grant.

Two extreme alternatives exist to the present formula. At one extreme all institutions could receive the same percentage increase in grants. This approach recognizes no enrolment changes and therefore would work to the detriment of those universities who are able to maintain their enrolment levels in the face of the system-wide decline. At the other extreme, operating funds could be allocated according to current enrolment levels. This would leave those universities with large enrolment declines in a particu-

larly vulnerable position.

Council is well aware that the present formula is a compromise solution for allocating funds during the period of declining enrolment. Despite this, it allows funding predictability for institutions and a greater degree of equity than might occur if more protection against enrolment fluctuations were built into the formula. For these reasons, Council sees no need to move to a new allocative mechanism for operating grants.

## **Capital Funding**

Financial restraint has been particularly severe in recent years in the area of capital assistance. A virtual moratorium on new construction has been in existence since 1972 and since its imposition, the few buildings that have been funded by Government have been constructed in response to critical space shortages. But what is of more importance under the present enrolment circumstances is that few funds have been available for maintaining the existing plant. In 1978-79, about \$6 million was provided by Government for major renovations and repairs. For 1979-80, it has been announced that \$3.7 million for such projects will be available.

The universities stated two years ago that if a choice had to be made between operating and capital funds, priority should be given to operating funds. Nevertheless, the approach of allowing major repair and renovation funds to dwindle poses problems when physical facilities cannot be properly maintained. Only minor repairs which can

Table 13

## Shortfalls in New Capital Funding for Major Repairs and Renovations (\$ millions)

	OCUA	Government	Accumulated
	Recommendation	Grants	Shortfall
1976-77	11.8	10.2	1.6
1977-78	14.1	6.0	9.7
1978-79	14.5	5.9	18.3
1979-80	17.9	3.7	32.5

be funded out of operating revenues or crisis projects for which universities might have some private funds can be undertaken. Physical plant does deteriorate and on some campuses where the age of the buildings is significant the process can take place rapidly.

It is difficult to specify precisely how much major repair and renovation money should be available annually. A study by a COU Committee on Capital Assistance recommended that at least 1.5% of the value of the space inventory was an appropriate level. OCUA in its funding advice to Government has based its capital recommendations on 1% of the value of the space inventory. For 1978-80, this generated a recommendation for \$17.9 million. The \$3.7 million made available is only 0.2% of the value of the space inventory. Even OCUA's guideline of 1.0% would not take account of the shortfall that has accumulated over the last few years. Table 13 indicates that this shortfall by the end of 1979-80 is \$32.5 million.

Council is aware of the universities' complaints about the amount of administrative work required for capital project approvals. This is inevitable when the capital funds available are so limited and individual project costs are high. As stated in Advisory Memorandum 76-VIII, there is little alternative to Government ascertaining priorities.

### **Research and Special Funding**

In the face of the financial perspective that has been sketched in this paper, the concerns expressed last year by Council about the loss of research capability in the system have intensified. Council reminds itself that Ontario has benefited considerably from the research done in the universities during the past two or three decades. University research has formed the base for many advances of importance to industry and society in general. For example, major developments have occurred in the treatment of cancer, new technologies are in use for the treatment of biological wastes, significant advances have been made in pulping and bleaching techniques and the containment of environmental pollutants in the pulp and paper industry, remarkable steady improvements are being made in the production of both crops and animals in agriculture, new geochemical, geophysical and geological techniques are of major importance in mineral and fossil fuel exploration, mica flake reinforcing technology is being introduced to commercial markets, compensated magnetic frequency changers are in use all over the world, several new corporations have developed as a direct result

of high technology research in the universities, laser techniques are now in use for calibrating tools and for measuring tolerances in metal working and new control methods have been developed in polymer manufacturing. These examples could be multiplied several times over. Unfortunately, the prospect looms that in a very few years, the universities may have neither the people nor the tools to maintain an adequate research base. The gains of the past 25 years are slipping away.

During the 1979 Spring hearings, the universities made a number of suggestions regarding the funding of research activities. Some universities suggested that Council should look towards other provinces for ideas and other universities suggested concepts of their own. The number of suggestions may reflect the wide range of views held on this subject but most institutions were agreed that one or more proposals to

support research in Ontario should be considered.

#### (a) Some Research Initiatives in Other Provinces

It is not the intention of Council in this paper to outline all of the provincial research programs that now exist in other parts of Canada. Rather, it is proposed to give a few examples of special funding established by the provincial governments to support research.

In its 1979 brief, Carleton University reminded Council of the program, Formation de Chercheurs et Action Concertée (FCAC), adopted by the Government of Quebec ten years ago. This program was created to help the universities of Quebec to catch up in certain areas and to encourage young researchers. The program consists of several sections and provides grants for research teams, centres, major research programs, scientific journals, research assistance agencies and other general purposes. The funding was about \$10 million in 1978-79 and all grants are made by a special committee of the Conseil des Universités, the Quebec equivalent to OCUA. The Conseil feels that it is time to review the program but is is convinced that the program has had beneficial effects on the evolution of university research in Quebec and on the research potential for Quebec. The FCAC is thought to be the most important research subsidy program for universities in Quebec, particularly in the social sciences and humanities.<sup>1</sup>

Several Ontario universities drew Council's attention to recent research initiatives of the provincial governments in the west of Canada. The new undertakings include the establishment of the Science Council of British Columbia to advise government on research policy and to fund research projects in universities, industry or government that are related to the economy of the province. The B.C. Science Council also funds post-doctoral fellows to work in industry and provides fellowships to graduate students who must spend some time in an industrial research setting. The level of funding for the B.C. Science Council has not been established but some proposals are already under

consideration.

In Alberta, the most dramatic move is the establishment of a \$300 million Alberta Heritage Foundation for Medical Research, the income from which will be used for medical and health related research. A fund of this magnitude is certain to have an effect upon the universities of Ontario as researchers are attracted to Alberta. Also, there are clear implications that the Heritage Savings Trust Fund will be used to establish foundations for research in fields other than medicine. The news release of March 5, 1979 announcing the Foundation for Medical Research stated "another tangible benefit of this approach is that it will reflect continued Alberta leadership in making this province into a 'brain centre' with a strong emphasis on creative research in a wide range of fields".

The concept of trust funds generating support for research activities has also been

taken up by the Province of Saskatchewan. A Provincial Agriculture Research Fund has been established as well as a Provincial Health Research Fund.

The Province of Manitoba is also increasing its expenditure on applied research and technology. The Industrial Technology Centre and the Foods Products Technology Centre have already been established by the Manitoba Research Council and others are to follow over a five-year period. The total funding of \$44 million will be shared by the Province and the Government of Canada.

It is clear from the examples just cited that research and development has taken on increased importance in many of the other provinces of Canada and that much of the new research will be undertaken by the universities in those provinces. In Ontario, funds have long been available for research in agriculture and health, and lottery funds have recently been made available for health and environmental research, but relatively few programs have been initiated in other areas, and no initiative has apparently been taken to develop a co-ordinated overall research strategy.

(b) Specific Proposals made at the Spring Hearings 1979

Council now turns its attention to the proposals made in the Spring by the Presidents of McMaster and Guelph Universities. Looking at what is happening elsewhere, McMaster University proposed the creation of a Science and Industrial Research Council of Ontario. Such a council would distribute funds to the universities or to industry or both in combination for projects related to the economy of Ontario. The proposed council would also take an active role in providing information and generating proposals for the federal funds available for industrial and economic development.

The suggestion made by the President of the University of Guelph was that the Government and OCUA should seriously consider the establishment of a special fund for program innovation, research and special projects to enhance research and differentiation among the Ontario universities. The financial resources for such a fund, if not available elsewhere, could come from the global funding provided to the universities. Presumably, Council would recommend the setting aside of several million dollars for this purpose before advising on the distribution of the balance of the government grant in the usual way. Another variation of the Guelph proposal is the establishment of a fund solely for research. Before proceeding with the development of either concept, however, it is necessary to learn if, in principle, the proposals would find favour with the universities. The Spring hearings of 1980 will provide an opportunity for further discussion of these suggestions.

(c) Promotion of Research by the Government of Canada

On June 1, 1978, the Minister of State for Science and Technology announced several proposals to stimulate research and development in Canada. What has happened in the 15 months since then? Clearly there has been no significant increase in the funds available. The proposed increase of \$10 million in 1978-79 to the granting councils for university research in areas of national concern was provided but these councils were not spared from austerity measures where funding of basic research was concerned. The councils continue to ignore the overhead costs of research in the funds provided. There has been a start on the Centres of Excellence program with the establishment of the Material Science Research Centre in Quebec but no announcement has been made of others being formed. The Innovation Centre program has not been given any long-term commitment but Ecole Polytechnique and University of Waterloo have been provided with initial grants to test the concept and develop comprehensive plans.

Council is of the opinion that the initiatives taken in the 15 months following the June 1, 1978 announcement are not significant in terms of increasing the research and development capacity of Canada. A much more vigorous approach on the part of the

Government of Canada will be required if Canada is to compete with other industrialized countries.

Council welcomes the renewed government emphasis that research is receiving in many Canadian provinces, both in universities and in industry. Additional research initiatives are needed in Ontario, in fields other than health and the environment, unless Ontario wishes to allow the strong research base that it has developed to deteriorate.

### **Epilogue**

If the Ontario Government's goal of balancing the provincial budget by 1983-84 remains the overriding factor in the determination of grant levels, and the priority accorded the universities remains the same, there will be increasingly severe difficulties in these institutions. Worse still, it will not prove possible to maintain the present quality and range of educational opportunity in Ontario.

None of the options examined by Council for coping with the future resembles a feasible solution to the problems. It is therefore imperative that the full impact of these

options be realized by Government.

The grave threat to the research capacity of the universities posed by the Government's funding policy is of particular concern to Council. Other provinces are moving forward to provide for the support, expansion and co-ordination of research. The Province of Ontario would seem ill-advised to allow its strengths to diminish.

The Ontario university system represents a major investment on the part of the people of Ontario. This system now stands at the brink of serious trouble. The analysis in this paper of the current financial situation and the funding outlook for the universities indicates a future of precipitous decline and turbulence as universities grapple with immense resource allocation problems.

Table A-1

#### **Total Undergraduate FFTE Enrolment**

	1977-78	1978-79	% Change 77-78 to 78-79
Brock	3439.4	2999.9(1)	-12.8(1)
Carleton	9956.9	9302.7	-6.6
Guelph	10062.2	9212.9	-8.4
Lakehead	3580.5	3393.5	-5.2
Laurentian	3482.0	3362.8	-3.4
Algoma	464.0	429.2	-7.5
Nipissing	571.5	457.9	-19.9
Hearst	96.5	128.3	33.0
McMaster	10457.5	10128.0	-3.2
Ottawa	12562.2	12950.7	3.1
Queen's	10611.7	10627.0	0.1
Toronto	31044.5	32145.0(2)	3.5(2)
Trent	2813.2	2548.8	-9.4
Waterloo	13829.8	13696.6	-1.0
Western	17814.0	16656.9	-6.5
WLU	4441.4	4300.2	-3.2
Windsor	9089.2	7954.3	-12.5
York	15446.0	15084.4	-2.3
Ryerson	10389.1	10618.0(3)	2.2(3)
OISE	71.8	64.5	-10.2
OCA	1651.5	1662.1	0.6
Dominican	59.1	62.8	6.3
TOTAL	171,934.0	167,786.5	-2.4

<sup>(1)</sup> Commencing in 1978-79, enrolment in the M.Ed. program was reclassified as graduate. There were 129.9 FFTE undergraduate students in that program in 1977-78.

Note: Enrolment in theological colleges has been included at 100% in all years.

<sup>(2)</sup> Commencing in 1978-79, a portion of the enrolment reported as graduate at St. Michael's College, University of Toronto was reclassified as undergraduate enrolment. There were 150.7 FFTE undergraduate students in this category in 1977-78.

<sup>(3)</sup> Commencing in 1978-79, enrolment in the Ryerson Nursing program has been included. Since the program had previously been funded by Ministry line-item grants, the enrolment had been excluded from undergraduate FFTE counts in the previous years. There were 397.6 undergraduate students in the program in 1977-78.

Table A-2

#### **Total Graduate FTE Enrolment**

(Fall and Summer)

			% Change
	1977-78	1978-79	77-78 to 78-79
Brock	60.2	295.1 (1)	390.2(1)
Carleton	1089.8	110.9	1.9
Guelph	593.6	598.1	0.8
Lakehead	148.1	151.1	2.0
Laurentian	72.6	86.1	18.6
Algoma		_	
Nipissing	_	evidan	_
Hearst	_	_	
McMaster	1246.7	1234.2	-1.0
Ottawa	1907.5	1827.1	-4.2
Queen's	1255.9	1186.7	-5.5
Toronto	4690.7	4304.6 (2)	-8.2(2)
Trent	26.4	33.0	25.0
Waterloo	1135.9	1128.1	-0.7
Western	1648.5	1754.9	6.5
WLU	324.8	326.9	0.6
Windsor	642.9	527.3	-18.0
York	1456.5	1433.6	-1.6
Ryerson	<del>-</del> ,		
OISE	1683.8	1647.7	-2.1
OCA			_
Dominican	12.2	16.6	36.1
TOTAL	17996.1	17662.0	-1.9

<sup>(1)</sup> Commencing in 1978-79, enrolment in the M.Ed. program was reclassified as graduate. There were 162.2 FTE graduate students in that program in 1977-78.

Note: Enrolment in theological colleges has been included at 100% in all year.

<sup>(2)</sup> Commencing in 1978-79, a proportion of the graduate enrolment at St. Michael's College, University of Toronto was reclassified as undergraduate enrolment. There were 150.7 FFTE undergraduate students in this category in 1977-78.

#### Appendix B.

**Effects of Discounted Enrolment Funding** 

In this appendix, a model developed by the University of Toronto Faculty Association is used to illustrate the effects of the present system of discounted enrolment funding. Table B-1 gives a comparison of the effects of actual enrolment and discounted

enrolment funding.

There are five universities in the model, each of which has a 3-year average enrolment for 1978-79 of 1000. For simplicity, all enrolment in this model is in Basic Income Units. The total enrolment of 5000 in these institutions is assumed to drop by 20% to 4000 by 1984-85 and then remain constant. However, the decline is unevenly distributed among the five universities as shown in Column 2. Column 3 provides the resulting BIU's if the enrolment decline is discounted at a 50% rate.

Calculation of the 1978-79 income in Column 4 assumes that the value of the BIU is \$2000. The remaining three columns then give a comparison of 1984-85 income under alternative assumptions concerning generation of the total funds and the method of

distribution. All dollar figures are in constant 1978-79 terms.

In Column 5, the total funds available are equivalent to the *actual* enrolment at \$2000 per BIU. Therefore total funds are 20% less than in 1978-79, reflecting the entire decline in total enrolment. Distribution of the funds is on the basis of *actual* enrolment.

The second method (Column 6) assumes that total funds are the same as in the first alternative, namely \$8,000,000. Distribution in this case is according to discounted enrolment. Because of this, the value of the BIU falls to \$1777. This alternative assumes that Government will provide funds according to actual enrolment with distribution on the basis of discounted enrolment. Universities such as A, whose enrolment decline is relatively small compared with the rest of the system, will significantly subsidize those with a relatively large enrolment decline.

If the total funds provided by Government reflect the discounted enrolment, i.e. when actual enrolment drops 20% and total funds decline by only 10%, the present formula leaves all universities in the system better off than if funding were on an actual basis. Column 7 shows that there would be \$9 million in the system, and even though universities like A are helping those like E, the degree of subsidization is not as great as

in Column 6.

The same analysis can be looked at in terms of "losses". University B lost 100 units of enrolment during the period and without enrolment discounting, its income would be \$200,000 less in 1984-85 than in 1978-79. With enrolment discounting and with government funding based upon discounting, the decline for enrolment is only \$100,000, or 50% of the loss under actual enrolment funding. Only when total government funding does not recognize enrolment discounting (Column 6) can the income loss be more than 50% of the loss under actual enrolment funding. In the case of university B, this loss is \$311,111.

Table B-1

	O	Comparison of the Effects of Actual Enrolment and Discounted Enrolment Funding	ects of Actual Enroln	nent and Discoun	ted Enrolment Fun	ding	
University	(1) 3-Year Average Actual Enrolment 1978-79	(2) 3-Year Average Actual Enrolment 1984-85	(3) 3-Year Average Discounted Enrol- ment 1984-85	(4) 1978-79 Income @ \$2000 per BIU	(5) 1984-85 Income @ \$2000 per Actual BIU	(6) 1984-85 Income @ \$1777 per Discounted BIU	(7) 1984-85 Income @ \$2000 per Discounted BIU
A	1000	950	975	\$ 2,000,000	\$1,900,000	\$1,733,333	\$1,950,000
æ	1000	006	950	2,000,000	1,800,000	1,688,889	1,900,000
O	1000	800	006	2,000,000	1,600,000	1,600,000	1,800,000
Q	1000	700	850	2,000,000	1,400,000	1,511,111	1,700,000
Ш	1000	650	825	2,000,000	1,300,000	1,466,667	1,650,000
TOTAL	2000	4000	4500	\$10,000,000	\$8,000,000	\$8,000,000	\$9,000,000



**Council's Advisory Memoranda** 



# 79-I The Ontario Graduate Scholarship Program, 1980-81

In this memorandum Council advises on the number of awards and the value of the Ontario Graduate Scholarship stipend.

Scholarship Eligibility

In each of the past four years, Council has recommended that the Ontario Graduate Scholarship be open equally to Canadian citizens and those who hold landed immigrant status as of the official annual closing date for scholarship applications. This recommendation has not been accepted but the Government did change the eligibility rules in 1979-80 to permit persons "who have held landed immigrant status for one year prior to the application date to compete with Canadian citizens for open awards". In addition, the Government stated its intention to make no further changes in the residence qualifications for a period of at least two years.

Council acknowledges the easing of restrictions and notes that the OGS residency requirement is now consistent with the requirement for the Social Sciences and Humanities Research Council (formerly Canada Council) award. Council wishes, however, to reiterate its concern that the rules for the OGS award remain more restrictive than those of the Natural Sciences and Engineering Research Council (formerly National Research Council) and the Medical Research Council. This discrimination between landed immigrants and Canadian citizens continues to pose the potential danger of excluding highly qualified landed immigrants, thereby lowering the standard of the open competition.

Council recognizes that during the two-year period the need remains to enable recent landed immigrants to apply for the Ontario Graduate Scholarship. As well, Council reiterates its view that the award be available to outstanding student visa holders. Council, therefore, welcomes the Government's acceptance of Recommendation 78-7 to increase the number of Scholarships for these two categories from 50 to 60 in 1979-80 and notes the Government's intention to make no further changes in this number for a period of at least two years.

Institutional Awards

In 1979-80, 45 institutional awards (9 per university) were made available for those universities having no doctoral programs. Council supports the continuation of this category of award for the present time. Accordingly, Council recommends to the Minister:

OCUA 79-1 INSTITUTIONAL AWARDS FOR UNIVERSITIES WITHOUT DOCTORAL PRO-GRAMS

THAT, up to 45 scholarships (9 per university) be institutional awards in 1980-81 for the universities having no doctoral programs.

**Open Competition and Total Number of Awards** 

In keeping with Council's recommendations in Advisory Memorandum 78-II, the Government maintained the total number of awards at 1200 in 1979-80. Council is of the view that 1200 awards should again be available in 1980-81 so that no fewer than 1,095 scholarships will remain after allowance is made for the maximum number of institu-

tional awards and awards for foreign visa students and landed immigrants. Accordingly, Council recommends to the Minister:

OCUA 79-2 NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1980-81

THAT, 1200 Ontario Graduate Scholarship Awards be made available in 1980-81 for:

- (a) open competition
- (b) institutional awards at Brock, Lakehead, Laurentian, Trent, and Wilfrid Laurier
- (c) foreign visa students and recently landed immigrants

in the manner outlined in this memorandum.

Scholarship Stipend

Council has, in past memoranda, drawn attention to the importance of maintaining the value of the OGS award at a level comparable to the federal awards for academic excellence. In Table I, Council again presents a comparison of the values of the Ontario Graduate Scholarship (OGS), Natural Sciences and Engineering Research Council (NSERC) and Social Sciences and Humanities Research Council (SSHRC) awards. The figures illustrate that despite the increase in the OGS stipend to \$4,800 (6.7 percent) in 1979-80, compared with a 6.1 percent increase in the SSHRC award, the OGS is now even further behind in absolute dollar terms. In addition, the 10.1 percent increase in the NSERC stipend makes the OGS award progressively less attractive.

Table I

Comparative Scholarship Stipends				
	ogs	NSERC Stipends (PGS 1 & 2)	SSHRC Stipends (1st & 2nd Ph.D.)	
1974-75	\$ 3,400*	\$ 4,050 to Oct. 1 4,500 from Oct. 1	\$ 4,000	
1975-76	3,400 *	5,000	5,000	
1976-77	3,750	5,520	5,500	
1977-78	4,350	6,000	6,000	
1978-79	4,500	6,360	6,360	
1979-80	4,800	7,000	6,750	
% increase 1979-80 over 1974-75	41.2	72.8	68.8	

<sup>\*</sup>Adjusted to take account of integration of fees into stipend in 1976-77.

Council stresses once again the priority which it assigns to the value of the stipend if the OGS award is to contribute significantly to the support of students of high quality. Council, having regard to this objective and having taken particular note of the most recent rates of increase in the federal awards, recommends to the Minister:

OCUA 79-3 ONTARIO GRADUATE SCHOLARSHIP STIPEND 1980-81

THAT, the Ontario Graduate Scholarships carry a minimum stipend of \$5,200 or \$1,733 per term in 1980-81.

The recommended stipend of \$5,200 for 1980-81 is 8.3 percent greater than the stipend for 1979-80. This implies an increase in OGS funding for 1980-81 of 8.3 percent to maintain the number of awards at 1200. From Table I and taking account of recent changes in the cost of living, it is evident that this increase is barely adequate to secure a reasonable value for the OGS award in 1980-81. Council, therefore, urges that if additional funds over and above those required to meet Council's recommendations become available to the OGS program, these funds be used to augment the value of the award.

W.C. Winegard Chairman May 24, 1979

# 79-II Government Support for the University System in 1980-81

Council's advice on funding for the Ontario university system for 1980-81 is submitted in the context of a basic dilemma. The Government is continuing its restraint on expenditures in an attempt to produce a balanced budget in Ontario by 1983-84 while the universities are experiencing increased financial pressure from the resulting constraint on their revenues.

Inadequate Funding for 1979-80

Council understands the reasons advanced by Government for expenditure restraint and is aware that these constraints are affecting all publicly funded bodies. Nevertheless, the policy of restraint as currently applied means that the funds available to the Ontario university system are insufficient for it to meet its basic financial needs.

Council has made a retrospective analysis for 1979-80, replacing the inflation allowances and enrolment change factors used in its 1979-80 funding advice with more recent measures of inflation and enrolment change. Enrolment projections for 1979-80 now indicate an expected decline of 2.5%, rather than 3.0%. For an inflation allowance, it is necessary to use at least 7% in place of 6%. This remains well under the current rate of inflation of 9.8%, but recognizes what was Council's deliberate policy for 1979-80 of setting the inflation allowance lower than estimated inflation rates.

Even with this deliberately underestimated allowance for inflation, Council's exercise indicates that university revenues for 1979-80 will be \$25.3 million less than that

required to meet its basic funding objectives, a substantial increase over the 1978-79 shortfall of \$7.5 to \$10 million. It should be noted further that the shortfall for 1979-80 would be approximately \$35 million if the assumed inflation factor was the 8.2% contained in the *Ontario Budget 1979*.

Universities have been and are attempting to cope with this constraint by non-replacement of equipment, by cutting back on library purchases, by salary increases below inflation and by staff layoffs. A preliminary exposition of the effects of financial constraint on the university system was included in a paper produced by Council in the

fall of 1978 and will be re-examined in greater depth later this year.

Although it will return to the point later in this memorandum, Council wishes to underscore its concern for the low level of capital assistance. Only \$5.9 million were made available in 1978-79 for major repairs, renovations and replacements, and for 1979-80 virtually no new capital funding is likely to be forthcoming. This level of support, together with inadequate operating grants, does not provide sufficient funds to maintain the existing plant of the universities, a plant originally built largely from public funds. Such an approach will pose serious problems in future years as the costs of a poorly maintained plant escalate.

Finally, Council reminds Government of the shortfall in funding the documented costs of existing bilingualism programs. One-half of the second phase of the additional

funding required (\$0.5 million) was not provided by Government for 1979-80.

**Funding Objectives for 1980-81** 

In 1979-80, Council made modifications to its funding objectives to reflect that "one can no longer expect that the university system can be fully sustained in the face of price increases, enrolment declines, and the current climate of budgetary restraint". As modified, these objectives were: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

The continuation of price increases, enrolment declines, and budgetary restraint leads Council to retain these objectives for 1980-81.

#### Costing Council's Basic Funding Objectives for 1980-81

The method for costing Council's basic funding objectives follows closely the approach used in the last three years. The percentages applied are explained in the following description of the costing exercise. Table I indicates the results of the calculations. One departure which Council has made from the format of past years is to combine salary and fringe benefit expenditures. Although Council had originally thought that differing percentages might apply to salaries and to fringe benefits, no difference has ever been used by Council or appears likely in the near future.

Column 1: The 1979-80 Base—The base used as an estimate of 1979-80 university expenditures is derived by estimating the revenues that will accrue to the system for that year. Council acknowledges that this base excludes the unmet funding needs described above. The present costing exercise, therefore, does not recognize the financial stress already placed upon the universities by the Government's funding policy. More will be said on this matter later in this memorandum.

The total university operating revenues and expenditures in the 1979-80 base are estimated to be \$981.1 million. A detailed description of the derivation of this base is given in the Appendix. The total expenditures have been distributed between salaries and fringe benefits and non-salary items according to the corresponding percentage distribution in the universities' budgets.

The Cost of the Basic Funding Objectives for 1980-81   Smillions     1				Ta	Table I			
1979-80 Inflationary Service Efficiency/ Predicted Stabilization Base Trend Level Rationalization Enrolment Factor Costs Costs Factor Change  188.4 18.5 0.0 -1.4 -4.1 2.0 981.1 81.9 17.1 -7.5 -21.4 10.7			The Cost o	of the Basic Fur (\$ m	nding Objectives for 1	980-81		
1979-80 Inflationary Service Efficiency/ Predicted Stabilization Base Trend Level Rationalization Enrollment Factor Costs Costs Factor Change  1 792.7 63.4 17.1 -6.1 .17.3 8.7 188.4 18.5 0.0 .1.4 .4.1 2.0 981.1 81.9 17.1 .7.5 .21.4 10.7		-	2	m	4	5	9	7
1 18.4 18.5 0.0 -1.4 -4.1 2.0 18.1 17.1 81.9 17.1 -6.1 17.3 8.7		1979-80 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1980-81
salary 188.4 18.5 0.0 -1.4 - 4.1 2.0 981.1 81.9 17.1 -7.5 -21.4 10.7	Expenditures Salaries and Fringe Benefits	792.7	63.4	17.1	φ.	-17.3	8.7	858.5
981.1 81.9 17.1 -7.5 -21.4 10.7	Non-salary	188.4	18.5	0.0	4.	- 4.1	2.0	203.4
THE PERSON NAMED AND PE	TOTAL	981.1	81.9	17.1	-7.5	-21.4	10.7	1061.9

The base expenditures include those of the fifteen provincially-assisted universities, the affiliated colleges, Dominican College, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art.

Column 2: Inflationary Trend Costs—For 1979-80, Council's inflationary allowance was deliberately set below the expected rate of inflation in recognition of "the need for all sectors of society to exercise moderation in the face of inflationary pressures." The fact that the federal anti-inflation program had just ended greatly complicated any attempts at forecasting inflationary trends.

Inflation rates have been escalating since the phasing out of the federal anti-inflation controls. Estimates of rates for 1980-81 vary but it is unlikely that price increases will moderate significantly. For 1980-81, Council believes that the most responsible measure of needs is to return to its original approach used until 1975 of relying upon forecasts of price increases made by competent authorities. Council is selecting the

conservative end of these forecasts.

Inflation in the prices of universities' non-salary items has exceeded the increase in the Consumer Price Index in the last few years. From 1971-72 to 1977-78 the annual percentage change in the Ontario University Non-Salary Price Index has averaged 23.0% higher than the annual percentage change in the Consumer Price Index. In particular, the price increases in energy, supplies and books have been significant.

Based on the above considerations, Council has chosen for 1980-81 an inflation allowance for salaries and fringe benefits of 8.0%. For non-salary items, Council's inflation factor is 9.8%. This factor is derived by increasing the 8.0% salary allowance

by 23.0%.

Column 3: Service Level Costs—A factor of 2.0% has again been applied to salaries and fringe benefits as a provision for the net cost of progression through the ranks or toward the job rate. This follows the approach used by Council in previous years.

For the last four years a factor of 2.5% has been applied to non-salary expenditures to recognize the need for furniture and equipment replacement. Council has chosen to delete this factor from its determination of the cost of basic objectives for 1980-81 in favour of a separate funding recommendation to be found later in this memorandum.

Column 4: Efficiency/Rationalization Factor—The efficiency/rationalization factor has received much criticism from the university system, both for its inclusion and for the shift in the 1979-80 funding exercise to the inclusion of "rationalization" in its description.

Council remains convinced not only of the need for continued expectations of efficiency and rationalization if the quality of the Ontario university system is to be maintained but also of the need for all sectors of society to moderate their demands. Council is also convinced of the merits of expressing its judgement of the implications of these considerations through an explicit negative factor for which it alone is responsible. Consequently, Council has chosen for 1980-81 to retain an efficiency/rationalization factor of -40.7%.

Column 5: Predicted Enrolment Change—For its estimates of enrolment change, Council has examined forecasts as well as preliminary data on the number of university applications for 1979-80. The latter indicate that first year applications are at a slightly higher level than for the corresponding month in 1978-79.

A thorough analysis of enrolment trends in Ontario universities is undertaken annually by the COU Committee on Enrolment Statistics and Projections. Council commends the Committee for its ongoing work. For 1979-80, this Committee estimates

that the total university enrolment will decrease by 2.5%, spread evenly across undergraduate and graduate, and full-time and part-time students. The Committee's prediction of a relatively stable supply of new entrants in the next few years led it to forecast an overall decline in total enrolment of 2.0% in 1980-81. It is this factor which Council adopts for Column 5 of its funding model.

Column 6: Stabilization Factor—Commencing with its 1979-80 funding advice (Advisory Memorandum 78-I), Council employed a factor designed to stabilize funding with respect to enrolment change in a period of decline. This factor added back 50% of the amounts subtracted in Column 5.

Council continues to support the principle of stabilization in funding, a principle accepted by the Minister, and therefore applies a 50% stabilization factor to the 1980-81 projected enrolment decline of 2.0%.

Column 7: Cost of the Basic Objectives—The total cost of the basic objectives is derived in Column 7 by adding the figures determined in the first six columns of Table I. The total cost for 1980-81 is \$1061.9 million and represents an 8.24% increase over the 1979-80 base. It should be stressed that this cost estimate does not recognize the pressing needs of the universities caused by past underfunding.

#### The Potential Cost to the Government of Council's Basic Funding Objectives

Table II indicates the potential cost to Government of Council's basic funding objectives, and is obtained by subtracting from the total cost of \$1061.9 million an estimate of fee revenues and other revenues in 1980-81.

The estimate of fee revenue is obtained by applying the projected enrolment decline to the 1979-80 fees and assuming that fee rates remain at the 1979-80 levels. No further adjustment needs to be made as a result of the differential formula fee for visa students because the phasing in of this fee will be complete by 1979-80. Total fee revenue, therefore, is expected to be \$142.2 million in 1980-81.

Council's estimate of other revenue of \$60.1 million assumes that this component of university revenue will not change from 1979-80. This in turn incorporates a slight decline in municipal tax grants corresponding to enrolment decline, relatively stable Ministry line-item grants, and a small increase in the remaining components of other revenue.

Based on the above, estimated fee and other revenue for 1980-81 is \$202.3 million. This amount is deducted from the \$1061.9 million cost of Council's basic funding objectives in Table II, leaving a potential cost to Government of \$859.6 million. This represents a 10.8% increase over the 1979-80 formula and non-formula grants provided by Government.

Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

#### OCUA 79-4

FUNDING LEVEL FOR 1980-81 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES, DOMINICAN COLLEGE, RYERSON, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION AND THE ONTARIO COLLEGE OF ART

THAT the 1979-80 Government expenditures of \$775.9 million on behalf of the provincially-assisted universities and affiliates, Dominican College, Ryerson, the Ontario Institute for Studies in Education and the Ontario College of Art

	SOLLEGES,	1061.9	202.3 859.6	(10.8%)
	F COUNCIL'S BASIC FUNDING D UNIVERSITIES, AFFILIATED C ND OCA — (\$ millions)	142.2	- TOO	
Table II	POTENTIAL COST TO GOVERNMENT OF COUNCIL'S BASIC FUNDING OBJECTIVES FOR 1980-81: PROVINCIALLY-ASSISTED UNIVERSITIES, AFFILIATED COLLEGES, DOMINICAN, RYERSON, OISE AND OCA — (\$ millions)	Cost of Basic Funding Objectives (Table I, Column 7) Deduct: Tuition and Other Fee Revenue	Other Revenues Potential Cost to Government of Basic Funding Objectives	(Percentage increase in grants)

be increased to provide, through grant increases, or through grant and formula fee increases compensated by student assistance, a 1980-81 funding level of \$859.6 million.

**Special Institutional and Policy Matters** 

Special institutional and policy matters are not included in Council's basic costing exercise. Last year's recommendation covered the annual grant-in-aid to the Bar Admission Course of the Law Society of Upper Canada and the final instalment required to align bilingualism grants with the incremental costs, as documented by Council, of existing program activities.

As observed earlier in this memorandum, Government did not fully accept Council's recommendations on funding for the incremental costs of existing bilingualism programs. Council notes that Government policy on bilingual education was outlined in

the Speech from the Throne in February, 1978:

"The fundamental rights of Franco-Ontarians to education in the French language have long been recognized in Ontario. Franco-Ontarians also have a commitment from the Government for the expansion of government services in the French language in accordance with need and population distribution."

In this light, Council reaffirms the need to fund the documented incremental costs of existing bilingualism activities. Accordingly, Council recommends to the Minister and

the Lieutenant Governor in Council:

OCUA 79-5 FUNDING FOR 1980-81 FOR EXISTING BILINGUALISM PROGRAMS AND THE BAR ADMISSION COURSE

THAT \$1.0 million be provided in 1980-81 for the remaining portion of the documented incremental costs of existing bilingualism programs, and for a grant-in-aid for the Bar Admission Course.

**Additional Funding Needs** 

It is abundantly clear to Council that the financial pressures facing the university system are major. Cumulative underfunding has made the non-salary area particularly vulnerable. This area is also most affected by the depreciated value of the Canadian dollar. Funds for equipment have not been as readily available as in the past because of the squeeze on research funds and the virtual non-existence of capital funds, both of which provided additional sources of funds for equipment purchases. The present level of library acquisitions is creating inadequacies in collections, in both books and periodicals.

Council's concern about the need to maintain equipment and library collections has led it to undertake a special study of the problem. Until this study is complete, it is difficult to quantify precisely the effects of underfunding on non-salary items. However, preliminary calculations clearly indicate that current university expenditure on equipment would only allow universities to replace their equipment in approximately 30 years. Expenditures on library acquisitions have declined by about 32% in real terms since 1972-73. Council conservatively estimates that an additional \$8 million should be made available for 1980-81 to help maintain equipment and library acquisitions.

Accordingly, Council recommends to the Minister and Lieutenant Governor in

Council:

#### OCUA 79-6 ADDITIONAL FUNDING FOR 1980-81

THAT \$8 million be provided in 1980-81 over and above the amounts recommended in 79-4 and 79-5 in recognition of the need for additional funds for equipment and library acquisitions.

#### **Capital Assistance**

Council had recommended in Advisory Memorandum 78-I that \$17.9 million be available for major repairs, renovations and replacement projects. As noted previously in this memorandum capital assistance for 1979-80 is virtually non-existent. Council can only stress that this degree of underfunding will cause problems in future when large outlays of capital assistance will be necessary. Over the long term this policy will be most costly than the annual provision of a reasonable level of funds for major repairs.

A level of 1% of the value of the space inventory in the university system has in the past been selected by Council as the minimum necessary annually for major repairs, renovations and replacement projects. This is quite apart from funds necessary for any new construction deemed essential by the Minister. Council again uses this as a minimum level for 1980-81, adjusting the value of the space inventory by an appropriate inflation factor which recent changes in construction price indices suggest should be 6.8%.

Accordingly, Council recommends to the Minister and to the Lieutenant Governor in Council:

OCUA 79-7 LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACE-MENT PROJECTS IN 1980-81

THAT funds for capital assistance in 1980-81 be \$19.1 million for major projects plus any amount necessitated by carryovers and essential new construction.

#### Conclusion

Council acknowledges the Government's policy of expenditure restraint. Nevertheless, Council has a responsibility to advise Government on the needs of the Ontario university system. The universities can adapt to declining enrolment and to government expenditure restraint if the consequent fiscal changes occur at an appropriate rate. However, such adjustments cannot be reasonably managed if the degree of expenditure restraint is excessive. This, in the opinion of Council, has been the case in the last two years. Council is convinced that Government's acceptance of the recommendations contained in this memorandum would allow universities to fund their basic needs in 1980-81 and to make the adjustments necessary to accommodate the changing circumstances.

W.C. Winegard Chairman June 8, 1979.

#### Appendix to Advisory Memorandum 79-II

This appendix outlines the derivation of the 1979-80 base used in Council's funding exercise. For purposes of the exercise, it is assumed that university system expenditures will equal total revenues. Table A-I provides a breakdown of 1979-80 revenues (\$981.1) by type.

#### Formula and Non-Formula Grants

The \$775.9 million for formula and non-formula grants is derived from the \$782.4 million announced by the Minister on January 4, 1979 less \$6.0 million for Ministry line-item grants and less \$0.5 million received in recognition of the incremental costs of existing bilingualism programs.

#### **Tuition and Other Fees**

The total amount of fees is determined by making adjustments to the total fees collected in 1978-79, \$141.1 million. Domestic fee rates have been increased by 5% for 1979-80 and an adjustment has been made for the expected enrolment decline of 2.5%. The resulting figure has then been increased to reflect the final phasing-in adjustment in relation to differential fees for visa students in 1979-80. The total of tuition and other fees for 1979-80 is calculated to be \$145.1 million.

#### **Other Revenues**

The other revenue figure of \$60.1 million is composed of municipal tax grants (\$7.8 million), Ministry line-item grants (\$5.9 million) and an estimated \$46.4 million in other sources of revenue. The latter figure reflects the growth of this other revenue over the last two years as indicated in universities' reports on anticipated actual budget revenues.

Univesity System Revent 1979-80 Estimate (\$ millions)	ies
Formula and Non-Formula Grants*	775.9
Tuition and Other Fees	145.1
Other Revenues**	60.1
	981.1

<sup>\*</sup>Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

\*\*Includes Ministry line-item grants.

# 79-III Funding Arrangements for Programs at Algoma College, Le Collège de Hearst and Nipissing College

#### Introduction

In a letter dated April 26, 1979 the Minister of Colleges and Universities requested that Council undertake a review of the appropriateness of the current policy of funding the Laurentian University affiliates—Algoma College, Le Collège de Hearst and Nipissing College—at the general arts and science weight of 1.0.¹ Council was further asked to make recommendations should the existing policy be found to require change.

Because Council wished to gain a thorough understanding of the problem, a committee of Council met with representatives of the Colleges and Laurentian University to determine which programs and partial programs were being offered by the Colleges, the authority under which these were being provided and the funding weights actually assigned. At this meeting the committee also explored a number of possible solutions to the funding weight problem. In this memorandum Council reviews the background to the current issue and makes recommendations on the appropriate funding arrangements for all programs offered at the Laurentian affiliates.

#### **Historical Review**

For purposes of this memorandum, it is not necessary to review the early development of each of the Colleges. It is, however, important to recognize the conditions under which each of the Colleges was authorized to receive provincial funding.

In 1963, Le Collège de Hearst became an affiliate of Laurentian University and eligible for provincial funding. At that time, the College received funding for enrolment in the three-year general arts program which had been established earlier with the approval of The University of Sudbury. Although Hearst, as a church-related college, was initially funded at a 50% level, the College was approved in 1971 for full formula support.

In 1965, Algoma College, with the approval of the Government, became affiliated with Laurentian University and eligible for provincial funding. Approval of the affiliation had been given by the Government on the condition that "for the present time, university programs at Algoma College be limited to first-year courses in the Faculty of Arts and Science". Similarly, in 1967, Nipissing College became affiliated with Laurentian University on the understanding that only first-year courses, understood to be in arts and science, would initially be offered. It was further understood that any expansion of program offerings by any of the affiliates would require ministerial approval.

During the early 1970's the Government approved the expansion of the arts programs offered at Algoma and Nipissing. In 1971, Algoma College was authorized to provide a three-year program in arts leading to a Bachelor of Arts degree at Laurentian University. In 1972, second and third year in general arts were approved at Nipissing College. Le Collège de Hearst simply continued to offer the three-year program which had been

established prior to affiliation with Laurentian University.

In 1973, the programs offered by Nipissing College were further expanded as a result of an agreement between the Minister of Education and the College which led to the North Bay Teachers' College becoming the Faculty of Education at Nipissing College. In 1974, the Senate of Laurentian University recognized the program in education at Nipissing as satisfying the requirements of the Bachelor of Education degree at Laurentian.

Under the affiliation agreements, the Senate of Laurentian University is required to approve any course at the Colleges which is to be accepted in partial fulfillment of a degree at the University. As a result of this, certain courses and course concentrations were established such that students who successfully complete these will also satisfy the corresponding program requirements at Laurentian University.

In 1977, the Senate of Laurentian University gave approval to Algoma College for the

<sup>(1)</sup> Nipissing College receives a weight of 2.0 for its program leading to a Bachelor of Education degree at Laurential University.

registration of students in the first two years of both the Bachelor of Social Work and Bachelor of Commerce programs. In the same year, the Senate approved the first year of the B.S.W. program and the first two years of the B.Com. program at Nipissing College. In 1978, approval was given to the second year of the B.S.W. program at that College. In addition, the Senate of Laurentian University has, from time to time, approved the offering of upper-year courses accepted in partial fulfillment of the requirements of an honours B.A. at Laurentian. Although Hearst does not register students in either a B.Com. or B.S.W. program, the College does offer course concentrations in its arts program which lead to the second year of the B. Com. and third year of the B.S.W. if these are taken elsewhere.

#### **Funding Arrangements**

The three-year general arts and first-year science programs offered at the Laurentian affiliates are funded at a formula weight of 1.0. The only program funded at a weight higher than 1.0 is the program at Nipissing College leading to a Bachelor of Education degree at Laurentian. This program is funded at a weight of 2.0. To this extent, the funding weights actually received by the Colleges are consistent with the formula weights and the weights being received for these programs at degree-granting institutions in the Province.

The partial programs and upper-year honours arts courses offered by Algoma and Nipissing which lead to a B.Com., and B.S.W. and honours B.A. at Laurentian are each funded at a weight of 1.0. Although these programs have not received ministerial approval, enrolment is reported by the Colleges and funded by the Ministry as general arts enrolment.

#### The Issues

The Colleges argue that there is a basic inequity between the funding weights applied to them as compared with the weights actually given for these programs at Laurentian and other universities—namely, 1.5 for the first and second year leading to a B.Com., 1.5 for the second year of the B.S.W. program and 1.5 for the upper years of the honours B.A. program. The Colleges maintain, and Laurentian affirms, that their course offerings for the early years of the B.Com. and B.S.W. programs are identical to those at Laurentian. Furthermore, students register in these programs at the Colleges and, upon successful completion of the first two years, are eligible in the same manner as Laurentian students to enter the third year at Laurentian University. As a result, the Colleges are seeking a resolution of the apparent discrepancy in funding weights by proposing higher-weight funding for the programs they offer in part. However, Council is mindful of the fact that formula weights were designed to approximate the cost of complete programs and not the cost of individual courses that form parts of programs.

Council recognizes that the partial programs now being offered by the affiliates have been approved by the Senate of Laurentian University. However, contrary to the requirements of ministerial policy regarding the Laurentian affiliates, approval for the programs has never been given to the Colleges by the Minister. On this basis, the partial programs are technically ineligible for funding. Furthermore, with particular respect to the professional program leading to a B.S.W. degree, the more general policy expressed in the Minister's letter of August 1, 1974 to the executive heads of all provincially-assisted universities was that "the Ministry will only approve funding of a new professional program after OCUA recommends the program". With regard to individual upper-year honours (arts) courses, Council reaffirms that for formula purposes enrolment is weighted on a program basis and notes that none of the affiliated colleges has received ministerial approval to offer the honours B.A. program.

**Options and Proposals** 

In deliberating upon the issues, Council considered a range of options. Among these were the funding of only those programs which had received formal approval from the Minister, the retention of the current arrangements whereby the partial B.Com. and B.S.W. programs are funded at a general arts weight, the proposal made by Algoma College that courses rather than programs be funded at an honours weight and the option advanced by Nipissing College that the Laurentian affiliates be funded on the same basis as the parent institution—an option which would require that Council recommend approval of the programs. Council carefully considered these options but believes that there is a more appropriate approach to the resolution of the problem.

In reaching this conclusion, Council was guided by the fact that among Laurentian University and its affiliates, only Laurentian is authorized to offer the B.Com., B.S.W. and honours B.A. programs. Council does not propose that such authorization be extended to the affiliates but recognizes that the Colleges can offer programs on behalf of and as authorized by Laurentian University. Under such an arrangement, students would be enrolled at the appropriate College but registered as Laurentian students, reported for funding purposes by Laurentian University and funded at the appropriate program weight. The funds received by Laurentian from the Ministry would then be transferred to the Colleges providing the instruction. It should, of course, be understood that there would be no change from the present funding arrangements for the three-year arts program at Algoma, Hearst and Nipissing and the Bachelor of Education program at Nipissing.

Council is satisfied that several important requirements would be met by this approach. First, the Colleges will offer and be funded directly for only those programs for which they have already received ministerial approval. Second, the funding weight for the partial B.Com., B.S.W. and honours B.A. programs will be the same regardless of the institution providing the instruction. Third, the arrangement will reaffirm, that, among Laurentian University and its affiliates, Laurentian is currently the only degree-granting institution. Fourth, the Laurentian affiliates will receive the funding which is

appropriate to the programs in which they provide instruction.

Accordingly, Council recommends to the Minister:

OCUA 79-8

FUNDING FOR PROGRAMS NOW AUTHORIZED TO BE OFFERED BY AL-GOMA COLLEGE, LE COLLEGE DE HEARST AND NIPISSING COLLEGE

THAT funding continue to be provided by the Government directly to Algoma College, Le Collège de Hearst and Nipissing College for enrolment in the three-year general arts program, to Algoma College and Nipissing College for enrolment in the first-year science program and to Nipissing College for enrolment in the undergraduate degree program in education.

OCUA 79-9

FUNDING FOR THE B.COM. AND B.S.W. PROGRAMS OFFERED AT ALGOMA COLLEGE AND NIPISSING COLLEGE ON BEHALF OF LAURENTIAN UNIVERSITY

THAT students enrolled at Algoma College and Nipissing College in the Bachelor of Commerce and Bachelor of Social Work programs of Laurentian University henceforth be registered and reported for funding as students of Laurentian University and that, beginning in 1980-81, the funding for these

students be provided, in accordance with the provisions of the formula, to Laurentian University for transfer, in accordance with the affiliation agreement, to the appropriate College.

OCUA 79-10

FUNDING FOR OTHER LAURENTIAN PROGRAMS THAT MAY BE OFFERED AT ALGOMA COLLEGE, LE COLLEGE DE HEARST AND NIPISSING COLLEGE ON BEHALF OF LAURENTIAN UNIVERSITY

THAT, in the event that the Senate of Laurentian University approves the offering of any of its other programs in whole or in part at the Laurentian affiliates, students enrolled at the Colleges in these programs be registered and reported for funding as students of Laurentian University and that the funding for these students be provided, in accordance with the provisions of the formula, to Laurentian University for transfer, in accordance with the affiliation agreement, to the appropriate College.

Council realizes that Recommendation 79-9 will involve a recalculation of the funding base and moving averages for each of the institutions involved. Council also recognizes that the affiliation agreements between the Colleges and Laurentian University stipulate that the University must "transmit without deduction to the College any funds received from the Province of Ontario on its [the College's] behalf". It is Council's understanding, however, that the Colleges are prepared to reimburse Laurentian University for the administrative costs associated with this funding arrangement.

W.C. Winegard Chairman August 17, 1979

# 79-IV Tuition Fee Policy for the Ontario University System

#### Introduction

This memorandum is in response to the Minister's letter of May 10, 1979 requesting advice on several aspects of tuition fee policy. In preparing this memorandum, Council has been aided by the tuition fee briefs that it received through the Ministry and also by discussions at Council's 1979 Spring hearings. Council has restricted its deliberations to what it believes to be the immediately critical aspects of tuition fee policy. These are: (1) accessibility and financial assistance as they relate to tuition fees, (2) the concept and the level of formula fees, (3) the indexing of fees, and (4) institutional autonomy in setting tuition fees.

One aspect of university¹ tuition fee policy which Council has chosen not to address is the question of the optimum balance between the students' share and Government's share of operating costs. Several universities have expressed the desire that the students' share of operating costs return to what it was in the late 1960's or the early 1970's. Council believes that this question cannot be divorced from the larger issues of (i) Government policy on balancing its revenues and expenditures, and (ii) Government policy toward the degree of income redistribution it wishes to achieve through its taxing and spending activities. These are issues of overall fiscal policy that lie outside the purview of an advisory body on university affairs.

The issue of tuition fees has generated much emotion and discussion in the past few years. It is a highly sensitive issue because the various parties concerned—the students, the taxpayers, Government and the universities—all have a keen interest in, but often different perceptions of, the function of tuition fees. In fact, in much of the discussion, the tuition fee issue has been used as a means to comment upon several aspects of the philosophy of post-secondary education, in particular, accessibility and social equity.

#### Tuition Fees—Accessibility and Financial Assistance

Any attempt to formulate a tuition fee policy "...which would treat students equitably in light of the economic realities of our time" must consider the goal of accessibility what ever the fiscal policies of Government. Accessibility³ has been a Government policy for several years⁴ and Council assumes that it will remain a stated objective of Government. Tuition fee policy must therefore consider what is a reasonable level of fees and also what effect fee changes would have on accessibility.

Accessibility should not be affected by ability to pay and therefore must be a prime consideration in any determination of tuition fee policy. There appears to be no comprehensive study available on accessibility and no conclusive evidence as to the effect of tuition fees and tuition fee changes on the demand for university education in

- (1) The terms 'university' and 'institution' should be read throughout this memorandum as meaning the provincially assisted universities and affiliates, Dominican College, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education and the Ontario College of Art.
- (2) Minister's letter, May 10, 1979.
- (3) Accessibility for all qualified applicants, but not necessarily in the program or institution of their choice. In this context, qualified refers to educational qualifications which reflect intellectual ability rather than ability to pay.
- (4) "Our objective is to insure that no student who has the capacity will be deprived of the opportunity of attending university and developing his talent to the fullest possible extent." (Honourable J.N. Allan, February 23, 1959, Legislature of Ontario Debates.)
  - "We must provide whatever opportunities are necessary as a government so that each individual may be assured an opportunity through education to develop his potentialities to the fullest degree and to employ his talents that God has given him to the greatest advantage." (Honourable J.P. Robarts, February 25, 1965, Legislature of Ontario Debates.)
  - "The Government has always been concerned, not only with providing the facilities required for our students to obtain the highest standards of education, but with ensuring that each student is able to avail himself of the opportunities existing in Ontario. . . . the Department has attempted through a variety of programs to ensure that every able student will have the financial resources required to continue his education." (Report of the Minister of University Affairs of Ontario 1967.)

Ontario. Despite this lack of conclusive evidence, there is general acceptance that tuition fees do have an impact. If this assumption is valid, not only the level of fees, but also sharp fee changes will affect accessibility. High fees and/or sharp fee increases would presumably most deter individuals from lower income families.

Council heard arguments that tuition fees do not form a large percentage of the total cost of attending university and therefore do not represent a major financial barrier. Obviously this percentage will vary according to the student's standard of living and also according to whether he or she attends a local university. For those individuals who choose to attend the local university for purely financial reasons, high fees may

become a major obstacle.

However, whether or not tuition fees are a large percentage of cost for the student, there seems to be agreement that tuition fees are one of the most and probably the most visible cost. Large fee increases obviously affect students already in university and both high fees and large fee increases may affect the educational and career aspirations of students in secondary school. In considering post-secondary education, these students may see tuition fees as the most visible cost and therefore use fees as an indicator of total cost. Council believes that tuition fees should not become more of an obstacle than they are perceived to be at present and that a student aid program should be an integral part of any tuition fee policy. Changes in tuition fees or fee policy should only be contemplated in conjunction with changes in student aid policy and programs.

The aim of the Ontario Student Assistance Program is to provide aid to students who could not otherwise afford to attend university. In general the program has pursued this aim with considerable success and the recent changes in the program have improved its capacity to provide assistance to students who need it most. However, one of the most constant criticisms in all discussions of tuition fees is the perceived failure of

OSAP, particularly the administration of the program.

The program has also been criticized for its lack of visibility. Many students who are considering university may be aware only of the cost and not of the financial aid available. Effective publicity is an integral part of any financial assistance program and should begin as early as senior elementary school. It should be possible for universities, schools and Government to cooperate in developing a coordinated and effective publicity program.

A third criticism is that the grant eligibility periods are fixed at the first four years from first registration at a post-secondary institution. These may not be the years when the student is most in need of assistance. There is much to sustain the validity of this criticism and it should be considered in any serious reassessment of the Ontario

Student Assistance Program.

The Concept and the Level of Formula Fees

The Basic Income Unit' as a unit integrating the Government grant and the formula fee has been generally accepted. Since the formula fee is an integral part of the present formula funding, it would seem desirable to retain the concept unless at some time in the future there emerge strong views against it and strong arguments supporting an alternative method.

At present, actual tuition fees charged at the various institutions may differ from the formula fee. These differences have been carried over from 1967-68 when the formula fee schedule was established. The formula fee for a particular program was originally calculated annually as the median of the actual fees. In 1971-72 Government fixed formula fees and since then there have been three increases in the formula fee schedule. In both 1972-73 and 1977-78, formula fees were increased by \$100. For 1979-

80, formula fees were raised by 5%. The universities have in turn passed these increases on to students.

There is now some variation in formula fees among programs but it is not large; professional programs, for example, have somewhat higher fees. Some dissatisfaction has been expressed with this historical variation and other methods of establishing tuition fees have been suggested. It has been argued, for example, that tuition fees should be related to program cost. However, program costs are an internal matter in each university and formula program weights are only intended as proxies for system-wide program costs. More importantly, relating fees to program costs could result in large differentials and very high fees for certain programs and could therefore affect program choice. The high fee itself may deter low-income students from entering the program.

Another suggestion for rationalizing the fee structure is to link tuition fees to expected future earnings. However, program choice is not necessarily linked to specific future earnings. While some programs can lead to careers yielding high earnings, a graduate of one of these programs does not necessarily pursue such a career. In any event, such an approach could not be undertaken without an extensive Government reassessment of fiscal policies, in particular, taxation and income redistribution.

Council believes that accessibility should be the prime concern when considering variations among formula fees. While the present variation is only based on historical factors, there is no indication that it has any effect on program choice. Council, therefore, does not wish to recommend a tuition fee policy based upon either program costs or potential future earnings.

#### Indexing of Fees

It is highly desirable to avoid the disruptions that may result from large and infrequent tuition fee increases. If fee increases are necessary, gradual annual increases which lend some measure of predictability to financial planning would be preferable to occasional sudden increases.

The indexing of tuition fees has been suggested by some. One of the suggestions is to tie tuition fees to the Consumer Price Index. Council has considered this and other methods of indexing and has concluded that indexing formula fees to the annual percentage change in Government operating grants to the university system would be the most appropriate method. Indexing formula fees in this way would mean that the annual changes would be based on Government's own fiscal decisions rather than on other economic indicators.

#### Institutional Autonomy in Setting Tuition Fees

Council now turns its attention to the area of institutional autonomy in setting tuition fees. Council is here concerned only with tuition fees for regular university credit programs. As an initial point, Council believes that part-time students should be treated the same as full-time students; that is, tuition fees for part-time students should be directly related to the proportion of a full-time load being undertaken. Tuition fees for all programs other than regular credit programs and all non-tuition fee matters should remain the responsibility of the universities, as they now are.

The area of institutional autonomy has received much attention and the variety of suggestions contained in the briefs reflects the widely differing opinions that exist regarding this issue. They range from arguments for full autonomy in the area of feesetting to complete Government control. To understand this diversity of opinion it would be helpful to look at the present organization of university affairs. The universities have full autonomy in academic matters and *de jure* autonomy in the setting of tuition fees. For approximately the last ten years, however, their autonomy in setting tuition fees has been highly restricted because they have been allowed to raise tuition

fees only in accordance with Government-announced increases in formula fees. On the financial side, each institution has complete control over the internal allocation of its revenue, the major portion of which is composed of Government grants. The universities, therefore, enjoy considerable autonomy despite the fact that they are primarily publicly funded.

In formulating its recommendations, Council has sought a solution which is equitable to all. It seems appropriate that some autonomy in setting fees be returned to the universities. However, the degree of autonomy should not be such that tuition fees

would become a prime factor in a student's choice of university or program.

Council is therefore recommending that the concept of the formula fee and the differentials that now exist among programs in the formula fee schedule be retained. Council is also recommending that the formula fee schedule be indexed to the annual percentage change in Government operating grants to the university system. Council further believes that each institution should be permitted to set its actual tuition fees up to a maximum of 110% of the indexed formula fees without incurring any reduction in Government grants. In light of this, Council is recommending that the Ontario Student Assistance Program should incorporate either the formula fee or the actual tuition fee charged by the institution, whichever is less.

The recommendations contained in this memorandum are intended as a unit and each recommendation should be considered in conjunction with, rather than independently of, the other recommendations. Council accordingly recommends to the

Minister:

OCUA 79-11 FORMULA FEE SCHEDULE AND THE INDEXING OF FORMULA FEES

THAT the concept of the formula fee and the differentials that now exist among programs in the formula fee schedule be retained, and that, beginning in 1980-81, this schedule be adjusted annually by the percentage change in Government operating grants to the university system.

OCUA 79-12
RELATIONSHIP BETWEEN FORMULA FEES AND ACTUAL TUITION FEES

THAT, beginning in 1980-81, any institution be permitted to set its actual tuition fees up to a maximum of 110% of formula fees without incurring any reduction in Government operating grants.

OCUA 79-13
TUITION FEES AND THE ONTARIO STUDENT ASSISTANCE PROGRAM

*THAT*, beginning in 1980-81, the Ontario Student Assistance Program incorporate either the formula fee or the actual tuition fee charged, whichever is less.

Council must stress that these recommendations are intended only as a short-term policy on tuition fees. The policy should be critically reassessed after a period of three or four years because: first, the recommended method of indexing is sensitive to economic conditions in the province and would therefore need to be reviewed in light of prevailing circumstances, and second, it will be important to ascertain the effect that the policy has had on accessibility.

W.C. Winegard Chairman August 24, 1979

# 79-V Review of the Institutional Funding Weight for Ryerson Polytechnical Institute

Background

During the Spring Hearings of 1979, Ryerson Polytechnical Institute recommended in its brief to Council that the formula weight used to calculate Ryerson's operating grants be increased on an interim basis to 1.5 from the current weight of 1.3. Council responded by inviting Ryerson to substantiate its claim for increased funding and undertook to review the merits of such a case. On July 10, 1979 Council received Ryerson's *Supplementary Brief* which was intended to "analyze the reasons for Ryerson's report of serious financial distress and to rationalize this situation distinct from the financial constraint applicable to all university sector institutions".

Council's Perspective

Council has carefully reviewed the material presented by Ryerson in support of an increase in its overall level of funding. Ryerson suggests that additional funds are needed in order to achieve a number of improvements in the operations of the institution including expenditures for additional faculty and staff, equipment renewal, library acquisitions, alterations and renovations. Ryerson also lists a number of changes which have occurred in its operations since 1973-74. The major change outlined in the Brief is the shift in enrolment from non-degree to degree programs.

In considering these and other points contained in the *Supplementary Brief*, Council recognized that Ryerson has documented many of the constraints under which the university system as a whole is operating. In fact, Council has itself addressed these issues in Advisory Memorandum 79-II and more recently in its discussion paper, *System on the Brink*. Based on these analyses, Council had some difficulty in perceiving many of the constraints documented by Ryerson as being "distinct from the

financial constraint applicable to all university sector institutions"

In distinguishing between Ryerson's experience and that of the university system, Council paid particular attention to the fact that within Ryerson substantial shifts in enrolment from non-degree to degree programs have occurred since 1973-74.1 Council recognized that, unlike the university system, these shifts in enrolment to higher-cost programs did not automatically result in a higher average funding weight since Ryerson is funded according to an institutional weight. Furthermore, unlike other institutions, the undergraduate degree programs which account for an increased proportion of Ryerson's total enrolment are all programs which have required ministerial approval for funding. Interim approval for funding was given by the Minister as recommended in Council's Advisory Memorandum 78-IV. It is Council's view on the basis of these considerations that some of the changes which have occurred within Ryerson since 1973-74 do differ in some fundamental ways from those in the rest of the system. In order, therefore, to assess the financial impact of the shifts in enrolment, Council calculated the percentage change in Ryerson's overall weight by weighting separately non-degree and degree enrolment in the two benchmark years used in the Supplementary Brief, 1973-74 and 1978-79.

In approaching the question of relative costs of non-degree and degree programs, Council recognized that at Ryerson, as well as at some universities, the cost of some degree programs may be less than the cost of some diploma programs. What was significant to Council, however, was the average cost of Ryerson's degree programs as compared with the average cost of its diploma programs. On the basis of the evidence submitted by Ryerson, Council reached the conclusion that this institution's degree programs are, on balance, more costly. As an example, the technology degree programs involve relatively expensive senior years and an upgrading of the diploma programs.

On February 13, 1974 the Committee on University Affairs recommended an average weight of 1.3 to take effect for 1975-76 funding.

While making such a distinction between degree and diploma weights in this exercise, Council remains sensitive to the need to encourage Ryerson to plan its program offerings in the perspective of its distinctive institutional role in the Ontario post-secondary system. Therefore, while Council has chosen to assign different weights to degree and non-degree programs as a basis for assessing the effects of enrolment shifts, it proposes the continued use of an institutional weight in the calculation of Ryerson's formula operating grants.

Models and Analysis

In judging the implications of the shifts in enrolment, Council has accepted the benchmark years of 1973-74 and 1978-79 used in Ryerson's analysis. Council recognizes that, although Ryerson was not funded at a weight of 1.3 in 1973-74, the process of reviewing Ryerson's weight, which culminated in an institutional weight of 1.3 for 1975-76 funding, was by then well under way. Council refers to 1978-79 as the most recent year for which complete enrolment data are available.

More difficult than the selection of the relevant time period has been the process of selecting appropriate weights for the non-degree and degree programs at Ryerson. In this, Council has considered using the weights of 1.2 for non-degree and 1.8 for degree programs as contained in the *Supplementary Brief*. Council finds it difficult, however, to accept 1.8 as the average degree weight since this exceeds the average undergraduate weights of even the most technically-oriented universities in Ontario. Indeed, a weight of 1.8 exceeds the average for the total university system which includes all graduate and professional programs. As a result, Council has itself attempted to estimate the impact of the shift in enrolment by calculating the percentage increases in the institutional weight implied by a number of alternative non-degree and degree program weights. The methodology employed in each of the models and the results generated are outlined briefly below. A further explanation of the models is contained in the Appendix to this memorandum.

Model I: This model takes as given the institutional weight of 1.3 and, by applying the 1973-74 Guelph-McMaster-Waterloo (GMW) composite undergraduate weight of 1.494 to the percentage distribution of non-degree to degree enrolment in 1973-74, derives a non-degree weight of 1.253. These weights, applied to the non-degree/degree split in enrolment in 1978-79, imply an increase in Ryerson's weight of 4.1 percent and a new institutional weight of 1.35.

Model II: In this model, Council begins by calculating an overall weight for 1973-74 and 1978-79. This is done by applying to current-year full-time equivalent enrolment in each of Ryerson's degree programs the formula weight for a comparable type of university undergraduate program. This generates average degree weights for Ryerson of 1.527 for 1973-74 and 1.593 for 1978-79. In the absence of a range of diploma programs at the university level which might correspond to the diversity of such programs at Ryerson, Council, in this model, applies the weight of 1.2 to Ryerson's total non-degree enrolment in both 1973-74 and 1978-79. The weight of 1.2 is the formula weight assigned to the Engineering and Forestry Technology diploma programs at Lakehead University. The overall weight for Ryerson calculated on this basis is 1.264 for 1973-74 and 1.364 for 1978-79. This represents an increase in overall weight of 7.9 percent over the period and suggests a new institutional weight of 1.4.

Model III: The degree weights used in this model are 1.527 and 1.593 for 1973-74 and

<sup>(1)</sup> Council takes the concept of the GMW composite from the analysis by The Hansen Group contained in Ryerson's Supplementary Brief.

1978-79 respectively as derived in Model II. The non-degree weight used in this model for both years is the 1.253 derived in Model I. This generates an increase in overall weight of 6.8 percent over the period and a revised institutional weight of 1.39.

Model IV: The degree weights used in this model are once again 1.527 and 1.593 for 1973-74 and 1978-79 respectively as derived in Model II. The non-degree weight used in this model for both years is 1.289. This is the non-degree weight that is derived by assuming an institutional weight of 1.3 and a degree program weight of 1.345—the Guelph-McMaster-Waterloo composite undergraduate weight of Model I discounted by 10 percent (an estimate of the proportion of undergraduate university operating costs attributable to research).¹ The resulting non-degree weight of 1.289 in this model together with the degree weights of Model II yields an overall weight increase of 6.1 percent from 1973-74 to 1978-79 and a new institutional weight of 1.38.

Model V: The degree weights used in this model are once again 1.527 and 1.593 for 1973-74 and 1978-79 respectively as derived in Model II. The non-degree weight used in this model for both years is 1.242. This is the non-degree weight that is derived by assuming an institutional weight of 1.3 and a degree program weight of 1.536—the Guleph-Waterloo (GW) composite undergraduate weight (McMaster is left out in order to reflect a higher technical concentration). The resulting non-degree weight of 1.242 in this model, together with the degree weights of Model II, yields an overall weight increase of 7.0 percent and a new institutional weight of 1.39.

Model VI: The degree weights used in this model are again 1.527 and 1.593 for 1973-74 and 1978-79 respectively as derived in Model II. The non-degree weight used in this model for both years is 1.298. This is the non-degree weight that is derived by assuming an institutional weight of 1.3 and a degree program weight of 1.306—the Guelph-Waterloo (GW) composite undergraduate weight discounted for research by 15 percent. This produces an increase in the overall weight of 5.8 percent and an institutional weight of 1.38.

Model VII: This model employs the non-degree weight of 1.289 from Model IV. The degree weights used are the 1.527 in 1973-74 and 1.593 in 1978-79 (from Model II) discounted by 10 percent for research to 1.374 and 1.434 respectively. These degree and non-degree weights yield an overall weight increase of 3.3 percent and a new institutional weight of 1.34.

**New Institutional Weight** 

During the period 1973-74 to 1978-79 the proportion of total enrolment accounted for by degree programs at Ryerson increased from approximately 19.5 to over 41 percent. Council recognizes, however, that no one model represents precisely the changes in Ryerson's financial situation which are attributable to these shifts in enrolment to higher-cost programs. Nevertheless, when viewed together they imply a range of increases in Ryerson's institutional weight of between 3.3 and 7.9 percent. Within this range, several of the models yield remarkably similar results and imply increases in the order of 6 percent. Based on these calculations and Council's judgement of the changes in overall operating costs reflected by the shifts in enrolment to higher-cost programs since 1973-74, Council proposes a new institutional weight for Ryerson of 1.38. Accordingly, Council recommends to the Minister:

<sup>(1)</sup> Ryerson is not a research institution in the same sense as the universities are research institutions.

OCUA 79-14
INSTITUTIONAL FORMULA WEIGHT FOR RYERSON POLYTECHNICAL IN-STITUTE

*THAT*, beginning in 1980-81, formula grants for Ryerson Polytechnical Institute be calculated on the basis of an institutional weight of 1.38.

Implications for Funding

In judging the appropriateness of a higher level of funding for Ryerson, Council recognized as stated earlier that the shift in enrolment to higher-cost programs did not itself bring about a higher level of funding as it would have done in the university system since, unlike most institutions, Ryerson is funded on an institutional weight. Since a higher average weight was not an automatic result of such shifts in enrolment, considerable time has elapsed during which Ryerson has not been compensated for higher overall costs associated with increased enrolment in degree programs. Moreover, each of these programs has received interim approval for funding from the Minister. As a result of these circumstances Council considers it appropriate that the level of funding for Ryerson be calculated on the basis of a higher institutional weight and that enrolment in all three years of the moving average used in the calculation of Ryerson's formula grants for 1980-81 should be accorded the higher institutional weight. Accordingly, Council recommends to the Minister:

OCUA 79-15
APPLICATION OF THE INSTITUTIONAL FORMULA WEIGHT FOR RYERSON
POLYTECHNICAL INSTITUTE

*THAT*, beginning in 1980-81, formula grants for Ryerson Polytechnical Institute be calculated on the basis of an institutional weight of 1.38 applied to the three-year moving average.

On this basis, Council has calculated that the value of additional operating funds implied by the increase of approximately 6 percent in Ryerson's institutional weight to 1.38 is \$1.3 million for 1980-81. This calculation is based on Council's assumption that Ryerson's enrolment in 1979-80 will remain at the 1978-79 level, that system undergraduate enrolment will increase by 1 percent over 1978-79 and that formula grants and/or grants and fees for 1980-81 will increase as recommended by Council in Advisory Memorandum 79-II.

Council recognizes that the increased weight for Ryerson was not taken into account in Council's funding advice contained in Advisory Memorandum 79-II. As a result, an amount equal to the increased funding necessary for Ryerson should be made available as funds over and above those recommended in Advisory Memorandum 79-II and should be provided to the system as a whole. Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

OCUA 79-16
ADDITIONAL FUNDS REQUIRED FOR THE UNIVERSITY SYSTEM IN 1980-81
IN RECOGNITION OF THE INSTITUTIONAL FORMULA WEIGHT CHANGE
FOR RYERSON POLYTECHNICAL INSTITUTE

THAT, in recognition of the change in the formula weight for Ryerson Polytechnical Institute from 1.3 to 1.38, additional operating grants and/or grants and formula fee increases to the university system for 1980-81 in the amount of \$1.3 million be made available as funds additional to those recommended in Advisory Memorandum 79-II, such funds to form part of the continuing system base.

It is Council's intention to review the institutional weight recommended in this memorandum after a period of four to six years. This review will take close account of the extent to which Ryerson, in the intervening years, has maintained its distinctive role in the post-secondary system.

W.C. Winegard Chairman November 30, 1979

### Appendix to Advisory Memorandum 79-V

### Model I

In order to gauge the extent of change in overall operating costs at Ryerson since 1973-74, Council, in this model, first took as given the institutional weight of 1.3 in 1973-74. In the absence of an average degree-program weight for Ryerson, Council then produced a proxy for this weight by calculating an average undergraduate weight for the composite of Guelph, McMaster and Waterloo (GMW), net of enrolment in the high-cost programs of veterinary medicine, medicine, medical interns and residents, and optometry. The figures are contained in Table 1.

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University	Net FTE's	Net BIU's	Average Weight
Guelph <sup>1</sup>	8406.1	13051.9	1.553
McMaster <sup>2</sup>	8388.4	11728.5	1.398
Waterloo <sup>3</sup>	10637.1	16205.5	1.523
Total GMW	27431.6	40985.9	1.494

**GMW UNDERGRADUATE DEGREE WEIGHT DERIVATION, 1973-74** 

1. Excludes veterinary medicine

2. Excludes medicine, medical interns and residents

3. Excludes optometry

Source:

University Affairs Report (UAR) detailed enrolment data.

Having derived a proxy for Ryerson's average degree weight, Council determined the distribution of enrolment between non-degree and degree programs at Ryerson in 1973-74 as follows:

Table 2

RYERSON NON-D	EGREE AND DEGREE FTE ENROLMEN	Т, 1973-74
Program Level	FTE's¹	%
Non-Degree	7236.6	80.536
Degree	1748.9	19.464
Total	8985.5	100.000

The non-degree/degree breakdown was taken from the UAR forms directly for full-time enrolment only. The split for part-time enrolment was based on data provided by Ryerson.

On the basis of the institutional weight of 1.3 in 1973-74, the GMW undergraduate degree weight of 1.494, and the non-degree/degree enrolment split, Council derived an average non-degree weight of 1.253 for 1973-74. This is illustrated in Table 3.

Table 3

### UNDERGRADUATE NON-DEGREE WEIGHT DERIVATION, 1973-74

Program Level	Average Weight	% FTE's	Program-Level Weight
Non-degree	1.253	80.5	1.009
Degree	1.494	19.5	291_
Institutional Weight			1.300

In order to assess the effect of shifts in enrolment from 1973-74 to 1978-79, Council applied the average weights of 1.253 and 1.494 to enrolment distribution in 1978-79 and derived an overall weight of 1.353. This weight represents an increase of 4.1 percent over the current weight of 1.3.

Table 4

### **INSTITUTIONAL WEIGHT DERIVATION, 1978-79**

Program Level	Average Weight	% FTE's¹	Program-Level Weight
Non-degree	1.253	58.3	.730
Degree	1.494	41.7	.623
Institutional Weight			1.353

<sup>1.</sup> Based on undergraduate full-time equivalent enrolment of 6,191.4 in non-degree programs and 4426.7 in degree programs in 1978-79.

### Models II to VI

The derivation of a new institutional weight for Ryerson depended upon the calculation of the percentage change in the institution's overall weight since 1973-74. This calculation was made by weighting Ryerson's non-degree and degree enrolment in the two benchmark years. The same average degree weights were used in each of Models II to VI. The models differed from one another, however, in the weight applied to non-degree enrolment. The variation in results among these models therefore reflects precisely the differences in the average weights applied to Ryerson's non-degree enrolment. The paragraphs following explain the reasons for this approach and the method by which the non-degree and degree weights used in these models were calculated.

**Degree Weights:** Unlike Model I which applied the modified GMW composite undergraduate weight to Ryerson's degree enrolment, Models II to VI acknowledged differences in costs among degree programs. This was done by assigning formula weights to individual degree programs. For example, Council applied a weight of 1.0 to Ryerson's Journalism program on the assumption that the cost of operating this program was not likely to be higher than the undergraduate Journalism programs at universities in the Province. A weight of 1.5 was similarly given to Business and Computer Technology as well as to programs such as Interior Design and Photographic Arts. Technology programs as well as other degree programs such as Urban Planning, Home Economics and Hotel Administration were assigned a weight of 2.0. By weighting the enrolment in this way, Council calculated an average degree of weight of 1.527 for 1973-74 and 1.593 for 1978-79 as shown in Table 5. These degree weights were then used consistently in each of Models II to VI.

### Table 5

### UNDERGRADUATE DEGREE WEIGHT DERIVATION

Year	Program Level	FTE's¹	BIU's²	Average Weight
1973-74	Degree	1748.9	2670.1	1.527
1978-79	Degree	4426.7	7051.2	1.593

The non-degree/degree distribution for full-time enrolment was available from UAR data. Comparable part-time enrolment data were provided by Ryerson.

Non-degree Weights: The average weight for Ryerson's non-degree programs could not be calculated in the same way as for the degree programs because of the absence of a range of comparable university programs. As a result, Council borrowed from Model I the methodology for deriving an average non-degree weight. This methodology took as given the institutional weight of 1.3 for 1973-74 and, depending upon the assumptions made as to Ryerson's average degree weight, yielded various non-degree weights.¹ In Model I, the average degree weight used was the modified GMW composite undergraduate weight of 1.494. This yielded a non-degree weight of 1.253. Similarly, in Models III to VI, Council assumed an institutional weight of 1.3 and the following degree weights:

Table 6

### NON-DEGREE WEIGHT DERIVATION

Model	Degree Weight Used to Derive Non-degree Weight	Source	Derived Non- degree Weight
Ш	1.494	GMW undergraduate weight	1.253
IV	1.345	GMW minus 10% for research	1.289
V	1.536	GW undergraduate weight	1.242
VI	1.306	GW minus 15% for research	1.298

**Percentage Change in Overall Weight:** By applying the average degree weights of 1.527 and 1.593 to Ryerson's degree enrolment in 1973-74 and 1978-79 and the various non-degree weights to Ryerson's non-degree enrolment, Council generated a range of percentage increases in Ryerson's overall weight.

<sup>2.</sup> BIU figures were calculated by applying assumed formula weights to individual program enrolment.

<sup>(1)</sup> Model II was the only exception to this in that it used the diploma weight of 1.2 corresponding to the weight for Engineering and Forestry Technology diploma programs at Lakehead University.

Example: In Model IV, the application of the non-degree weight of 1.289 and the degree weights of 1.527 and 1.593 yielded the following results:

Table 7

MODEL IV CALCULATION				
Year	Program Level	FTE's	BIU's	Average Weight
1973-74	Non-degree	7236.6	9328.0	1.289
	Degree	1748.9	2670.1	1.527
	Total	8985.5	11998.1	1.335
1978-79	Non-degree	6191.4	7980.7	1.289
	Degree	4426.7	7051.2	1.593
	Total	10618.1	15031.9	1.416

Total BIU's divided by total FTE's for each year yielded average overall weights of 1.335 for 1973-74 and 1.416 for 1978-79. This implied a percentage change over the period of 6.1% and a new institutional weight of 1.38.

In order to calculate any of the other models in this group, it is only necessary to substitute the appropriate non-degree weight for the non-degree weight of 1.289 used in this example.

### Model VII

In this model, Council calculated the change in Ryerson's overall weight by modifying Model IV to take account of an estimated portion of operating costs attributable to research at the university undergraduate level. Consequently, Council in this model discounted the average degree weights of 1.527 for 1973-74 and 1.593 for 1978-79 by 10 percent to 1.374 and 1.434 respectively. These degree weights and the non-degree weight of 1.289, when applied to Ryerson's enrolment in the two benchmark years, produce an increase in overall weight of 3.3 percent and a new institutional weight of 1.34. This is illustrated in Table 8.

	INSTITUTION	ONAL WEIGHT DERI	VATION	
Year	Program Level	FTE's	BIU's	Average Weight
1973-74	Non-degree	7236.6	9328.0	1.289
	Degree	1748.9	2403.0	1.374
	Total	8985.5	11731.0	1.306
1978-79	Non-degree	6191.4	7980.7	1.289
	Degree	4426.7	6347.9	1.434
	Total	10618.1	14328.6	1.349

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			SUMMARY OF MODELS	DELS		
Model	Degree Weight	Source	Non-degree Weight	Source	Resulting Percentage Increase	New Institutional Weight
_	1.494	derived GMW composite undergraduate weight	1.253	derived by using the GMW composite degree weight	4.1	1.35
=	1.527 (73/74) 1.593 (78/79)	formula weights for comparable university programs	1.200	formula weights for university technology diploma programs	7.9	1.40
=	1.593 (78/79)	formula weights for comparable university programs	1.253	derived by using the GMW composite degree weight	8.9	1.39
≥	1.527 (73/74)	formula weights for comparable university programs	1.289	derived by using the GWM composite degree weight dis- counted by 10% for research	0.1	1.38
>	1.527 (73/74)	formula weights for comparable university programs	1.242	derived by using the GW composite degree weight	7.0	1.39
5	1.527 (73/74)	formula weights for comparable university programs	1.298	derived by using the GW composite degree weight dis- counted by 15% for research	.5 .8	1.38
II.	1.374 (73/74) 1.434 (78/79)	formula weights for comparable university	1.289	derived by using the GMW composite degree weight dis-	3.3	1.34

# 79—VI The Allocation of the Government's Operating Support for the University System in 1980-81

For 1980-81 the Government has made available \$838.8 million in operating grants to the university system. Of this amount, \$832.8 million is available for Council's basic funding objectives and the grant-in-aid to the Bar Admission Course. The remaining \$6.0 million was initially reserved for line budget items. Subsequently, \$0.8 million (the grant portion of the amount required to fund the formula weight increase for Ryerson Polytechnical Institute) was transferred from the line budget items to the amount available for allocation by Council. This brought the total grants available for distribution to \$833.6 million.

In addition to the \$838.8 million in operating grants, the Government announced an increase of 7.5 percent in formula fee rates and an additional \$50 increase in fee rates for Ryerson Polytechnical Institute. The increase in formula fee rates will yield an estimated \$11.2 million in additional fee revenue in 1980-81. Total grant and fee revenue expected to accrue to the university system in 1980-81, based on an estimate of fee revenue, is \$992.2 million and represents an increase of \$66.0 million over the

comparable figure for 1979-80.

When the grant and fee rate increases are combined, the system will receive a 7.3 percent increase in funding from these two sources. This increase represents a more reasonable and promising approach to funding than the roughly 5 percent increase allowed in each of the previous two years. Council takes note that the \$833.6 million in operating grants for Council's basic funding objectives and Ryerson's formula weight increase, combined with the estimated \$11.2 million resulting from the fee rate increases, falls about \$15 million short of Council's basic funding objectives and about \$25 million short of Council's total recommended funding of \$86.9 million (\$859.6 million for basic funding objectives; \$1.0 million for the grant-in-aid to the Bar Admission Course and funding of bilingual institutions; \$8.0 million for additional funds for equipment and library acquisitions; and the \$1.3 million recommended to be made available in recognition of the change in the formula weight for Ryerson). The amount of the shortfall may be altered should the universities use their freedom to raise tuition fees by up to an additional 10 percent without incurring a reduction in their grant.

In this memorandum, Council advises on the distribution of the \$833.6 million that has been made available for operating grants. The amount available for distribution by formula is that portion of the \$833.6 million remaining after allocations have been made for Northern Ontario, bilingualism and supplementary grants, for the grant-in-aid to the

Bar Admission Course and as a provision for final enrolment adjustment.

### Northern Ontario Grants

For 1980-81, Council continues to pursue the policy of recommending financial assistance to the Northern Ontario institutions in recognition of the fiscal problems associated with providing post-secondary education in that region. Council calculates the annual value of the Northern grants on the basis of a "mini-formula" published in Advisory Memorandum 75-VII. According to this formula the grant to each of Lakehead and Laurentian universities and Laurentian's affiliated colleges—Algoma, Hearst and Nipissing—is determined with reference to the prior year's Basic Operating Income. Accordingly, Council recommends to the Minister:

### OCUA 79-17 NORTHERN ONTARIO GRANTS 1980-81

THAT Northern Ontario grants in 1980-81 be made in the following amounts:

Lakehead \$1,572,000

Laurentian 1,508,000

Algoma 170,000

Hearst 96,000

Nipissing 245,000

### **Bilingualism Grants**

The level of bilingualism grants remains below the documented costs of existing bilingualism programs. On the basis of its 1976-77 cost study, Council identified a deficiency in bilingualism grants and took steps to recommend additional funds to overcome this shortfall over a two year period. One million dollars was requested and received for 1978-79 (Advisory Memorandum 77-III). The remaining \$1 million was requested for 1979-80 (Advisory Memorandum 78-I), but only \$0.5 million was made available. Council once again requested in Advisory Memorandum 79-II that the remaining \$0.5 million be provided. Government did not meet this request.

As a result, the total amount available for distribution by Council in 1980-81 is equal to the 1979-80 grant total increased by 7.22 percent, the percentage increase in total university operating grants between 1979-80 and 1980-81. In spite of the remaining \$0.5 million shortfall in total grants available, Council wishes to continue to move toward an alignment of the distribution of bilingual grants with the incidence of bilingualism costs. Council, therefore, has chosen to distribute bilingualism grants one-half according to the 1979-80 distribution and one-half according to the distribution of the institutional costs documented in the 1976-77 study.

Accordingly, Council recommends to the Minister:

OCUA 79-18 BILINGUALISM GRANTS 1980-81

THAT bilingualism grants in 1980-81 be made in the following amounts:

	ion granto in root of be made in the following amounts.
Ottawa	\$4,988,000
Laurentian	1,228,000
Glendon	173,000
Hearst	59,000
Sudbury	26,000
St. Paul	223,000

### **Supplementary Grants**

In previous memoranda Council has stated its intent to reduce annually the supplementary grants to Lakehead, Laurentian and Trent universities. Council continues to adhere to this policy and has chosen to reduce by \$100,000 the amount provided to each institution in 1979-80. Accordingly, Council recommends to the Minister:

OCUA 79-19 SUPPLEMENTARY GRANTS 1980-81

THAT supplementary grants in 1980-81 be made in the following amounts:
Lakehead
Trent
\$250,000

The reduction by \$100,000 in the grant to Laurentian University removes this university from the list of those receiving supplementary grants. Consistent with its stance taken when Brock University was removed from this list, Council proposes that a terminal grant of \$100,000 be provided to Laurentian University for the year 1980-81. Accordingly, Council recommends to the Minister:

OCUA 79-20

TERMINAL SUPPLEMENTARY GRANT TO LAURENTIAN UNIVERSITY 1980-81 THAT a terminal supplementary grant of \$100,000 be made to Laurentian University in 1980-81.

### **Bar Admission Course**

In Advisory Memorandum 74-II, Council made the observation that the Government of Ontario had adopted a policy of providing a partial grant-in-aid for the Bar Admission Course. Council continues to apply this policy and, as has been its practice in recent years, proposes that the grant-in-aid for 1980-81 be increased by the same percentage as the increase in the Government's allocation to the system as a whole, namely, 7.22 percent. Council accordingly recommends to the Minister:

OCUA 79-21 GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF THE BAR ADMISSION COURSE 1980-81

THAT a grant of \$516,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1980-81.

### **Basic Income Unit Values**

Of the \$833.6 million available for distribution in 1980-81, Council has recommended that a total of \$12.054 million be made available for Northern Ontario, bilingualism and supplementary grants, and for the grant-in-aid to the Bar Admission Course. In addition to these deductions shown in Table I, Council allows \$1.603 million as a provision for final enrolment adjustment. This amount is intended to offset any discrepancy between the estimated weighted enrolment for 1979-80 and the final enrolment figures. This

Table I

AVAILABILITY OF FUNDS FOR DISTRIBUTION AS GRADUATE

AND ONDEHANADOR	(12   0111110271 0111111111111111111111111111	
r Council's Allocative Recom	nmendations	\$833,600,000
Ontario Grants	\$3,591,000	
sm Grants	6,697,000	
entary Grants	1,250,000	
ssion Course	516,000	
	\$12.054.000	

Provision for Final Enrolment 1,603,000
Adjustment

Total Deductions \$ 13,657,000

Available for Distribution as

Available for Deduct: Northern of Bilingualis Suppleme Bar Admis

Graduate and Undergraduate

Formula Grants \$819,943,000

amount will also be available for any change in the funding status of Dominican College, which remains the only school of theology funded at 50 percent. In addition, the provision will be used for any new graduate programs approved for 1980-81 funding. The amount remaining for distribution by formula grants after deductions for non-formula grants and enrolment adjustment is \$819.9 million. Council notes that any unused portion of the provision for final enrolment adjustment will also be distributed.

Based on an amount of \$819,943,000 available for distribution by formula grants, the value of the undergraduate Basic Income Unit (BIU) is \$3,017 and the graduate BIU is \$2,941.

The undergraduate allocation for 1980-81 is calculated in accordance with the undergraduate funding formula established in Advisory Memorandum 76-VII. The method used to allocate graduate formula grants is that specified in Advisory Memorandum 78-III. Council accordingly recommends to the Minister:

OCUA 79-22 GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1980-81

THAT for 1980-81, the graduate BIU value be not less than \$2,941 and the undergraduate BIU value be not less than \$3,017.

In Tables II and III, Council tabulates the distribution of grants and Basic Operating Income based on the recommendations contained in this memorandum. Table II lists formula and non-formula grants for 1980-81 and provides a comparison by institution to the grants made in 1979-80. Table III similarly compares the sum of Basic Operating Income and non-formula grants for 1980-81 with the corresponding figures for 1979-80. Council notes that although Basic Operating Income is a more accurate measure of the revenue expected to accrue to the system than grants alone, the portion of Basic Operating Income which is based on fees may differ from the actual fee revenue collected by the system. Council provided an explanation of the basis for this difference and its implications in the Appendix to Advisory Memorandum 78-V.

Formula Sensitivity to Enrolment Change Beyond 1980-81

In Advisory Memorandum 78-III, Council recommended that a 50% discount/stability factor be applied in the allocative formula used for master's and graduate diploma programs. For doctoral programs, Council felt that an even greater measure of stability might be in order, and therefore suggested a discount factor of two-thirds. Council wishes to reiterate its intention to employ these discount factors for the funding of graduate programs throughout the first graduate planning quinquennium (1979-84).

Council believes that the use of a 50% discount factor in the undergraduate allocative formula continues to contribute an appropriate measure of stability. It is therefore Council's intent to employ the 50% discount factor again in 1981-82.

W.C. Winegard Chairman January 25, 1980

# DISTRIBUTION OF GRANTS GENERATED BY RECOMMENDATIONS IN ADVISORY MEMORANDUM 79-VI (\$ Thousands)

1980-81 Recommendations

					Special Grant			
		Northern			and	Total	1979-80	
	Formula	Ontario	Bilingualism	Supplementary	Final Enrolment	Grants	Total	%
	Grants <sup>2</sup>	Grants	Grants <sup>3</sup>	Grants	Adjustment	Recommended4	Grants	Change
Brock	13,259					13,259	12,469	6.3
Carleton	42,069					42,069	39,719	5.9
Guelph	51,069					51,069	48,059	6.3
Lakehead	12,541	1,572		250		14,363	13,666	5.1
Laurentian	11,754	1,508	1,254	100		14,616	13,754	6.3
Laurentian (Algoma)	30					30		
Algoma	1,064	170				1,234	1,217	3.9
Laurentian (Nipissing)	49					49		
Nipissing	1,670	245				1,915	1,864	5.4
Hearst	286	96	59			441	425	3.8
McMaster	55,763					55,763	52,268	6.7
Ottawa	64,563		5,211			69,774	64.351	8.4
Queen's	57,263					57,263	53,304	7.4
Toronto	185,043					185,043	171,528	7.9
Trent	8,179			006		9,079	8,672	4.7
Waterloo	63,529					63,529	59,452	6.9
Western	83,738					83,738	78,536	9.9
Wilfrid Laurier	15,230					15,230	14,003	8.8
Windsor	36,117					36,117	34,429	4.9
York	63,046		173			63,219	59,312	9.9
OISE	12,117					12,117	11,218	8.0
Ryerson	36,367					36,367	32,590	11.6
Ontario College of Art	5,115					5,115	4,654	6.6
Dominican1	82					82	92	7.9
TOTAL	819,943	3,591	6,697	1,250		831,481	775,566	7.2
Bar Admission					516	516	481	7.3
Final Enrolment Adjustment					1,603			

Notes:

1980-81 formula grants are calculated using an undergraduate BIU value of \$3,071, a graduate BIU value of \$2,941 and formula fee rates increased by 7,5% over their 1979-80 levels. 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution.

Total grants recommended of \$831 481 million plus \$0.516 million for the Bar Admission Course plus \$1.063 million as provision for final enrolment adjustment equals \$833.6 million. Included is the \$0.8 1979-80 grants were calculated using an undergraduate BIU value of \$2,805 and a graduate BIU value of \$2,734. million transfer from line-item grants for the Ryerson weight change.

Bilingualism grants for affiliated institutions are included with the parent institution.

# Table III

DISTRIBUTION OF BASIC OPERATING INCOME AND GRANT RECOMMENDATIONS IN ADVISORY MEMORANDUM 79-VI

(\$ Thousands)

			1980-8	1980-81 Recommendations	ons		1979-80	
	Basic Operating Income	Northern Ontario Grants	Bilingualism Grants	Supplementary	Special Grant and Final Enrolment	BOI plus Northern Bilingualism Supplementary and	BOIl plus Northern Bilingualism Supplementary and	%
Brock	16.012	3	3			16 012	15 081	Glange 6.2
Carleton	51,003					51,003	48.212	5.8
Guelph	59,251					59,251	55,808	6.2
Lakehead	15,143	1,572		250		16,965	16,126	5.2
Laurentian	14,550	1,508	1,254	100		17,412	16,413	6.1
Laurentian (Algoma)	36					36		
Algoma	1,432	170				1,602	1,580	3.7
Laurentian (Nipissing)	69					59		
Nipissing	2,082	245				2,327	2,276	4.8
Hearst	384	96	59			539	522	3.3
McMaster	65,073					65,073	61,046	9.9
Ottawa	75,821		5,211			81,032	75,002	8.0
Queen's	66,659					66,659	62,038	7.4
Toronto	213,711					213,711	198,202	7.8
Trent	10,255			006		11,155	10,645	4.8
Waterloo	75,474					75,474	70,593	6.9
Western	99,065					99,065	92,991	6.5
Wilfrid Laurier	18,856					18,856	17,399	8.4
Windsor	43,296					43,296	41,439	4.5
York	76,410		173			76,583	72,073	6.3
OISE	13,317					13,317	12,337	7.9
Ryerson	42,111					42,111	37,475	12.4
Ontario College of Art	6,081					6,081	5,544	9.7
Dominican <sup>1</sup>	134					134	124	8.1
TOTAL	966,217	3,591	6,697	1,250		977,755	912,924	7.1
Bar Admission					516	516	481	7.3
Final Enrolment Adjustment					1 802			

# 79-VII Graduate Program Planning and Funding

### **General Considerations**

In September Council received the Council of Ontario Universities/Ontario Council on Graduate Studies (COU/OCGS) annual submission on graduate studies. The submission included Doctoral Program Data, Graduate Program Enrolment 1979 and also OCGS's annual brief to Council. Council found the information illuminating and would like to record its gratitude to COU on assembling, for the first time, information on all graduate programs offered by the universities of Ontario.

The annual brief from OCGS contained not only the programs that it was submitting to Council for funding consideration but also a list of graduate programs that were included in the universities' five-year plans. The brief also included information on the following: disciplines currently undergoing or scheduled for planning assessments, the results of appraisals, changes in programs, and also seven programs and proposals

which have been withdrawn or deferred by individual institutions.

The brief contained ten programs which OCGS was forwarding to Council for funding consideration. Two of the programs were from those listed in the universities' five-year plans. The remaining eight programs were from among the ones which had been referred to COU in Advisory Memorandum 78-III but were not included in the universi-

ties' five-year plans.

After studying the September submission by OCGS on programs for which funding was being requested, Council concluded that there was insufficient information on each program upon which to base its funding recommendations. Council voiced its concerns to COU and this led to further discussions with both COU and OCGS. Council provided COU with written clarification of its views and COU subsequently agreed to

resubmit the graduate programs by January 10, 1980.

In the discussions with COU, Council made the point that both COU and Council itself must consider the graduate enterprise in light of the financial restraint which the universities are facing. Yet at the same time, care must be taken to ensure that the vitality of the graduate enterprise is maintained. It is Council's belief that the only means by which to ensure the vitality of the graduate enterprise on a long-term basis is through consolidation and system rationalization achieved through institutional role differentiation. This theme is not a new one. In the Introduction to its *First Annual Report 1974-75*, Council pondered the matter of institutional differentiation. More recently in Advisory Memorandum 77-VII, Council stated that:

Over the years there has been much discussion of institutional role differentiation and rationalization. The new era of straitened resources and declining graduate enrolments and the accompanying need for system-wide consolidation should encourage institutions to identify and give priority to the areas of graduate endeavour in which strength exists and which are key to the planned institutional identity.

The success of the graduate planning enterprise during the first quinquennium will be primarily dependent upon the pursuit of excellence by institutions in their areas of strength, and, of system rationalization by the university

collectively on the basis of quality and need.

Council will be discussing institutional role differentiation and the identification of

institutional strengths with the institutions during the 1980 Spring hearings.

Council's approach to the area of new graduate program funding reflects these views. Financial restraint necessitates the exercising of care and caution in the area of new program funding. It is incumbent on Council to ensure that funding proposals and requests are in line with fiscal realities. Ontario cannot afford any unnecessary duplication or dilution of support for the existing strong programs. The merits of each

graduate program proposal must be carefully assessed and only those programs which are of high quality, are unique and are definitely needed can be considered for funding. Moreover, it is imperative that the programs be offered where they will be consistent with the existing strengths of the institution.

The four funding criteria, as set forth in Advisory Memorandum 77-VII, were established to assist the universities, COU and Council in assessing new graduate program funding proposals in a context of financial restraint. Council went on to state in the memorandum that satisfaction of the four criteria would guarantee only that Council would consider the program and that its funding recommendations would take into account financial considerations and developments in the graduate sector. Consistent with this stance, Council, in its October 30, 1979 letter to COU regarding the content and format of the funding request for each graduate program, requested that each submission include COU's assurance, not only that "the program should be offered and funded despite financial constraint", but also that "... the particular institution could best offer the program and that the program is consistent with the aims, objectives and existing strengths of the institution." It is Council's belief that this assurance, combined with the four funding criteria and an overall view of global funding for the university system, will not only provide a strong basis upon which to assess graduate program funding proposals, but enhance the planning role of COU itself.

The discussions with COU also made it clear that some clarification of the funding criteria was called for. The first criterion is concerned with need. In establishing need, Council expects to see evidence of both student demand and external demand. In setting down this criterion, Council recognizes that, on rare occasions, there may be a need for a program even though clear indicators of external demand cannot be

supplied.

The second criterion concerns the uniqueness of the program. Council wishes to be assured by the Advisory Committee on Academic Planning (ACAP) that no similar program is offered in Ontario. When it established this criterion, Council recognized that there may rise situations of regional need for certain master's programs and stated in Advisory Memorandum 77-VII that "In exceptional circumstances Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario but where there is also strong evidence of regional importance and student demand".

The third criterion requires "Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require

improvements".

The fourth criterion requires that admissions to the program commence prior to the program being submitted for funding consideration. Some confusion regarding this criterion resulted from the change in the submission date for the annual OCGS brief to Council from June to September. The purpose of this fourth criterion is to establish the viability of the program by demonstrating firm institutional commitment to, and student interest in, the program before it becomes eligible for public funding. It is Council's belief that enrolment in the program rather than just acceptance for registration demonstrates this institutional commitment and student demand. Therefore, any program submitted by OCGS for funding approval in September of a given year must have had enrolment in the previous academic year before Council will consider a funding recommendation.

**Programs Proposed for Funding** 

In January 1980, COU resubmitted nine of the ten graduate programs. While the new submission was greatly improved, some difficulties remained. For example, the

uniqueness criterion was dealt with by the individual institutions rather than by ACAP. Despite this, in view of the time constraint involved, Council is willing to accept the evidence supplied by the institutions but in future would expect to see evidence of uniqueness confirmed by ACAP. ACAP is the logical group to inform COU and Council whether a program is indeed unique or represents instead a splintering of existing knowledge or an insignificant variation of programs offered elsewhere.

On another point, in the letter that accompanied the new submission, COU expressed the feeling that it was premature for COU itself to address the question of the appropriateness of the institution in the present submission. This section was therefore dealt with by the individual institutions. Council understands COU's reluctance to make statements in this regard before the 1980 Spring hearings and has

accepted the statements from the institutions.

With respect to the programs themselves, Council wishes to make two points. First, two of the programs that were resubmitted for funding consideration, the MA Child and Development Studies at Laurentian and MA(T)/MSc(T) Teaching at Toronto, did not have enrolment in the 1978-79 academic year and therefore do not satisfy Council's fourth criterion. However, because of the confusion that existed regarding the enrolment criterion, Council considered an exception to the rules to be in order. Secondly, the PhD Electrical Engineering at Ottawa is not a new program and therefore the four criteria were not applied. The recommendation to fund this program honours an institutional commitment made before the first quinquennium which the institution has since fulfilled. In future, however, Council will be very reluctant to give special consideration to historical cases and each program submitted for funding approval will be required to satisfy all four funding criteria before Council will consider a funding recommendation.

Council reiterated earlier in this memorandum that consideration of a funding recommendation for a particular program will be based on the four criteria, financial considerations and developments in the graduate sector. Specifically, Council stated its belief that the four criteria, combined with an overall view of global funding and COU's assurance that the particular institution could best offer the program, would provide a good basis upon which to assess program proposals. While it has not been possible to assess all the program proposals in this light this year, Council firmly believes that the developments which have taken place bring all concerned a step closer to achieving this goal. The discussions that have taken place in the past months have led to a clearer understanding of the four criteria and also of the way in which graduate planning should be approached, not only by Council itself, but also by COU, OCGS and the individual institutions. In future, Council expects to be able to assess proposals in the above light and also expects that each graduate program funding proposal forwarded to Council will include COU's assurance that the program should be funded despite restraint and also that the program is consistent with the aims, objectives and existing strengths of the particular institution. At present, Council is satisfied with the developments that have taken place and has assessed the nine funding proposals in this context. Accordingly, Council recommends to the Minister:

### OCUA 79-23 NEW FUNDING FOR SPECIFIC GRADUATE PROGRAMS

THAT the following programs be deemed eligible for formula support beginning in 1980-81, and that eligible enrolment from 1979-80 on be included in the appropriate moving average for each institution:

### Program

Electrical Engineering (PhD) Nuclear Engineering (PhD) Physical Education (PhD)

Child and Development Studies (MA)
Communication Studies (MA)
Community Health (MHSc)
Family Medicine (MCISc)
Health Behaviour (MSc)
Teaching (MA(T)/MSc(T))

W.C. Winegard Chairman February 8, 1980

### University

Ottawa McMaster Western

Laurentian Windsor Toronto Western Waterloo Toronto **OCUA PUBLIC MEETINGS**, 1979-80



## **OCUA PUBLIC MEETINGS**, 1979-80

Date	Institution or Organization and (Place of Meeting)
March 16, 1979	Council of Ontario Universities (University of Toronto, Toronto)
March 16, 1979	University of Toronto (University of Toronto, Toronto)
March 23, 1979	University of Guelph (University of Guelph, Guelph)
March 23, 1979	Brock University (University of Guelph, Guelph)
March 23, 1979	McMaster University (University of Guelph, Guelph)
March 23, 1979	Ontario College of Art (University of Guelph, Guelph)
April 6, 1979	University of Windsor (University of Windsor, Windsor)
April 6, 1979	University of Western Ontario (University of Windsor, Windsor)
April 27, 1979	Ryerson Polytechnical Institute (Ryerson Polytechnical Institute, Toronto)
April 27, 1979	York University (Ryerson Polytechnical Institute, Toronto)
April 27, 1979	Ontario Institute for Studies in Education (Ryerson Polytechnical Institute, Toronto)
April 27, 1979	University of Waterloo (Ryerson Polytechnical Institute, Toronto)
April 27, 1979	University of Toronto Faculty Association (Ryerson Polytechnical Institute, Toronto)
May 4, 1979	Queen's University (Queen's University, Kingston)
May 4, 1979	Trent University (Queen's University, Kingston)
May 4, 1979	Carleton University (Queen's University, Kingston)
May 4, 1979	University of Ottawa (Queen's University, Kingston)
May 11, 1979	Lakehead University (Lakehead University, Thunder Bay)
May 11, 1979	Laurentian University, Algoma College, Collège de Hearst, Nipissing College (Lakehead University, Thunder Bay)
May 25, 1979	Ontario Confederation of University Faculty Associations (Queen's Park, Toronto)
May 25, 1979	Confederation of Ontario University Staff Associations (Queen's Park, Toronto)
May 25, 1979	Ontario Federation of Students (Queen's Park, Toronto)
May 25, 1979	Wilfrid Laurier University (Queen's Park, Toronto)



OCUA Recommendations and Government Responses, 1979-80



# OCUA Recommendations and Government Responses, 1979-80

Recommen	dations	
Number	Title	Response
Advisory M	emorandum 79-I	
79-1	Institutional Awards for Universities Without Doctoral Programs	Accepted
79-2	Number of Ontario Graduate Scholarship Awards in 1980-81	Acepted
79-3	Ontario Graduate Scholarship Stipend, 1980-81	Not accepted
	emorandum 79-II	
79-4	Funding Level for 1980-81 to Meet the Cost of Council's Basic	
	Objectives in Funding the Operation of the Provincially-Assisted	
	Universities, Dominican College, Ryerson, the Ontario Institute	
	for Studies in Education and the Ontario College of Art	Partially accepted
79-5	Funding for 198-81 for Existing Bilingualism Programs and the	
	Bar Admission Course	Not accepted
79-6	Additional Funding for 1980-81	Not accepted
79-7	Level of Support for Major Repairs, Renovations and	
	Replacement Projects in 1980-81	Not accepted
	emorandum 79-III	
79-8	Funding for Programs Now Authorized to be Offered by Algoma	
70.0	College, Le Collège de Hearst and Nipissing College	Accepted
79-9	Funding for the B.Com. and B.S.W. Programs Offered at Algoma	
70.40	College and Nipissing College on behalf of Laurentian University	Accepted
79-10	Funding for Other Laurentian Programs that may be Offered at	
	Algoma College, Le Collè de Hearst and Nipissing College on	A
A duin any 84	behalf of Laurentian University	Accepted
79-11	emorandum 79-IV  Formula Fee Schedule and the Indexing of Formula Fees	A A
79-11	Relationship Between Formula Fees and Actual Tuition Fees	Accepted
79-12	Tuition Fees and the Ontario Student Assistance Program	Accepted Not accepted
	emorandum 79-V	Not accepted
79-14	Institutional Fomula Weight for Ryerson Polytechnical Institute	Accepted
79-14	Application of the Institutional Formula Weight for Ryerson	Accepted
79-13	Polytechnical Institute	Accepted
79-16	Additional Funds Required for the University System in 1980-81 in	Accepted
75 10	Recognition of the Institutional Formula Weight Change for	
	Ryerson Polytechnical Institute	Accepted
Advisory M	emorandum 79-VI	Nocoptod
79-17	Northern Ontario Grants 1980-81	Accepted
79-18	Bilingualism Grants 1980-81	Accepted
79-19	Supplementary Grants 1980-81	Accepted
79-20	Terminal Supplementary Grant to Laurentian University 1980-81	Accepted
79-21	Grant to the Law Society of Upper Canada on behalf of the Bar	
	Admission Course 1980-81	Accepted
79-22	Graduate and Undergraduate BIU Values for 1980-81	Accepted
Advisory M	emorandum 79-VII	
79-23	New Funding for Specific Graduate Programs	Accepted















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1980-81

Ontario
Council on
University
Affairs

Seventh Annual Report



# Ontario Council on University Affairs

Seventh Annual Report March 1, 1980 to February 28, 1981

700 Bay Street, Seventh Floor, Toronto, Ontario. M5G 1Z6

Telephone: (416) 965-5233

March, 1981



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#### **Letter of Transmittal**



Ontario Council on University Affairs 416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

February 28th, 1981

The Honourable Bette Stephenson, M.D., Minister of Education/Colleges and Universities, 22nd Floor, Queen's Park, Toronto, Ontario.

Dear Dr. Stephenson,

I respectfully submit herewith the Seventh Annual Report of the Ontario Council on University Affairs, which covers the period from March 1st, 1980 to February 28th, 1981.

Yours sincerely,

W. C. Winegard Chairman

# Members and Officers of the Ontario Council on University Affairs 1980-81

Rt. Rev. Walter Bagnall (1982)

Hamilton

Norma V. Bowen (1981)

Guelph

J. Stefan Dupré (1980)

Toronto

Philip Gordon (1983)

Toronto

Margaret Hamilton (1982)

Toronto

Jill Harris (1983)

Kingston

T. Rosaire Léger (1981)

Cornwall

G. Milton Mackenzie (1983)

Toronto

Alexander L. McCallion (1983)

Hamilton

Allan K. McDougall (1981)

London

Jean Millar (1982)

Sioux Lookout

J. Fraser Mustard (1981)

Hamilton

Margaret F. Orange (1981)

Sudbury

Gilles Paquet (1983)

Ottawa

Marilyn L. Pilkington (1982)

Toronto

R. Peter Riggin (1981)

Toronto

Robert B. Taylor (1982)

Islington

H. Harold Walker (1982)

Weston

Patty White (1983)

Denfield

William C. Winegard (1981) Chairman

Georgetown

Patrick Beard

Research Officer

Eleanor M. Harrison

Research Officer

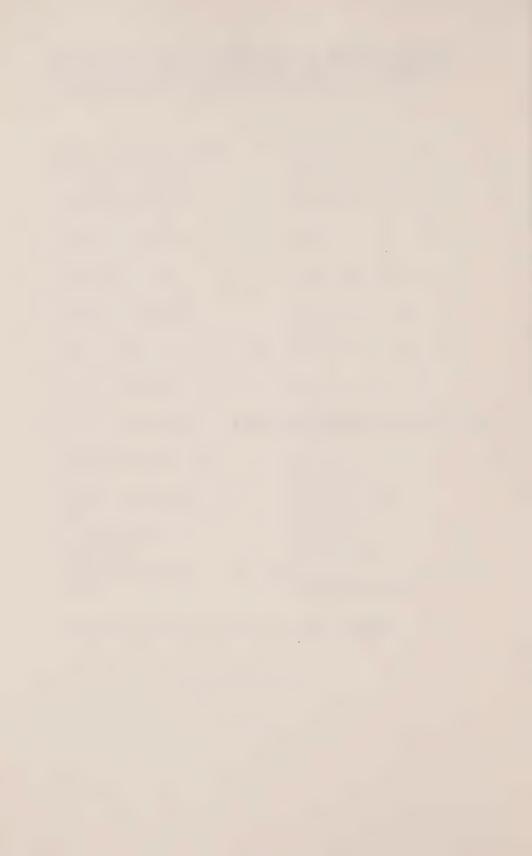
J. Paul Stenton Research Officer

Susan Pape

Administrative Assistant

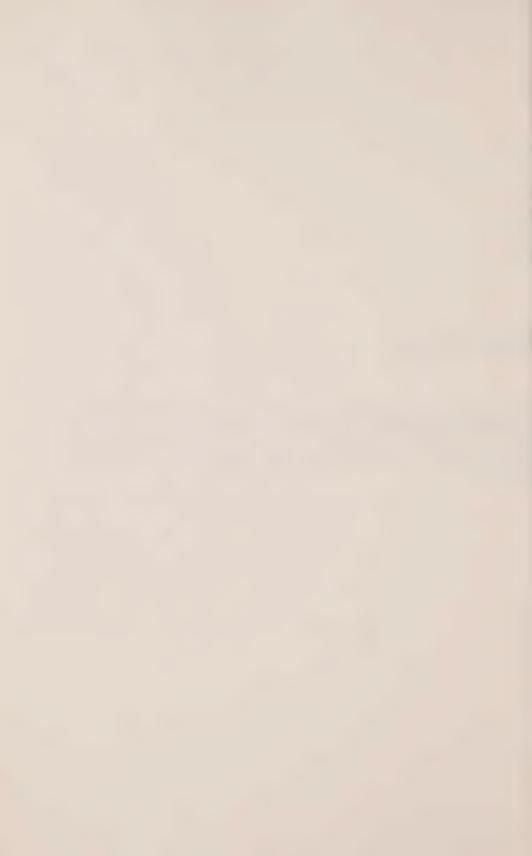
(Members' terms expire on February 28th of the year indicated in parentheses)





#### Introduction

The Seventh Annual Report of the Ontario Council on University Affairs covers the period March 1st, 1980 to February 28th, 1981 and contains the full text of all Advisory Memoranda issued during the year. In addition, the present report contains the texts of two papers released by Council in October 1980: "A Financial Analysis of the Ontario University System — 1980." and "System Rationalization: A Responsibility and an Opportunity".



### A Financial Analysis of the Ontario University System - 1980



During the last few years, Council's concerns over the financial plight experienced by Ontario universities have intensified. Council documented these concerns in its 1979 paper, *System on the Brink*, a Financial Analysis of the Ontario University System. This report presented a number of indicators of the financial status of the Ontario university system and the effects of provincial funding on key expenditure items or functions within the universities. Council concluded, as a result of this analysis, that the system stood "at the brink of serious trouble". Based on the levels of financial support that could be projected for the university system as a result of Government's restraint program, Council then went a step further and predicted "a future of precipitous decline and turbulence as universities grapple with immense resource allocation problems".

The increase in operating grants made available to the universities for 1980-81 forestalled the "precipitous" decline predicted by Council. Nonetheless, it is clear that the system remains very much "on the brink". It is equally clear that the primary reason

for this situation lies in continued underfunding of the university system.

Government underfunding must be viewed in the context of the extent to which it has prevented the universities from adequately carrying out their functions and maintaining quality. In its 1978 paper, *The Ontario University System: A Statement of Issues*, Council enunciated what it believed to be the implicit goals of the Ontario university system. These were as follows:

To develop a more educated populace;

2. To educate and train people for the professions;

3. To provide for study at the highest intellectual level;

 To conduct basic and applied research including development and evaluation; and

5. To provide service to the community.

Although the attainment of these goals cannot be directly quantified, there are some measurable indicators which can be utilized to examine the impact of underfunding on the ability of the universities to carry out their functions. When the effect of underfunding on such expenditures as library acquisitions, equipment purchases and faculty and staff compensation is examined, it becomes clear that underfunding has restricted the ability of the universities to attain the goals set forth by Council. Underfunding has affected the quality of all aspects of the universities'

operations from undergraduate education to research efforts.

This paper updates and modifies some of the financial indicators in *System on the Brink* in order to examine the relative extent of provincial underfunding, and its impact. It begins by illustrating in Section A that, in comparison to universities in other provinces, the relative level of provincial funding for Ontario universities has deteriorated significantly in recent years. Section B then shows that funding increases to universities compare unfavourably with funding increases accorded Ontario elementary and secondary schools. The paper then goes on to suggest that this shortage of funds has had a deleterious effect on key components of expenditure in Ontario universities. Specifically, there have been further declines in real terms in the salaries and wages of the faculty and staff, the value of equipment and furniture expenditures and library acquisitions (Sections C, D and E). Section F indicates that provincial funding constraints on capital assistance for major repairs, renovations and replacement projects have been even more restrictive than those for operating grants. Section G contains an examination of the financial effects of the existing allocative

mechanism on individual institutions, indicating the extent to which the formula has insulated institutions from the financial effects of enrolment change.

The final section of the paper (Section H) details certain problems associated with university research funding. In particular, it examines the impact of both provincial and federal funding policies on research efforts of Ontario universities. It indicates that the existing approach to funding university research has made it difficult to sustain a desirable level of research activity and to maintain an adequate research base in terms of manpower and equipment.

At present, there is growing interest on the part of the federal government in increasing research activities in Canada, using the universities as a major part of this effort. What is noteworthy is that of all the university systems in Canada, Ontario's system is in one of the worst positions to respond effectively to the challenge presented. In Council's view, a continuation of the present research funding policies of both levels of government will result in the continued deterioration of the Ontario university system's research base. This will not only harm Ontario universities, vis-à-vis other Canadian universities, it will also undermine Ontario's ability to promote industrial growth through research and innovation.

#### (A) Interprovincial Comparisons

As pointed out in System on the Brink, the financial constraints faced by Ontario universities have been more stringent than those faced by universities in most other Canadian provinces. More recent evidence suggests that the financial position of Ontario's universities, relative to universities in other provinces, continues to erode.

Table 1 of the Appendix illustrates how extensive this erosion has been in terms of total operating income per full-time equivalent (FTE) student. The table outlines the total operating income per FTE student for each province in Canada, along with the Canadian average and the weighted average of the nine provinces other than Ontario. for the period 1974-75 to 1978-79. It indicates that Ontario declined in rank over this period from third to eighth; only Manitoba and Prince Edward Island were lower. Figure 1 is derived from Table 1 of the Appendix, and illustrates graphically that Ontario's position, vis-à-vis the weighted average of the other nine provinces in Canada, deteriorated over the period examined. The Ontario university system's low provincial ranking in operating income per FTE student in 1978-79 has been a direct result of the

level of operating grants provided to the universities.

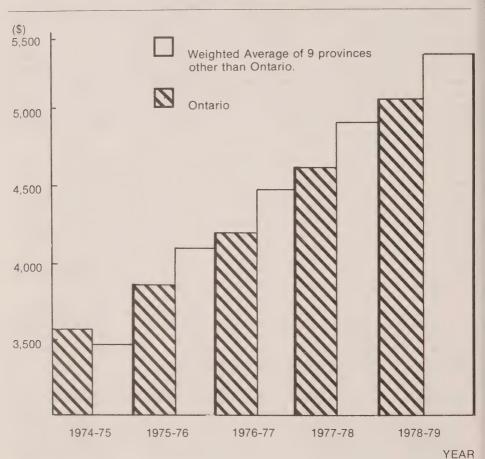
Table 2 of the Appendix presents the provincial operating grants per FTE student for each province in Canada over the same period, 1974-75 to 1978-79. It indicates that over this period, Ontario dropped from sixth to eighth place among all provinces in provincial operating grants per FTE student, with only Nova Scotia and Prince Edward Island being lower. Figure 2 illustrates graphically that over the period used in Table 2 of the Appendix, provincial operating grants per FTE student for the universities of Ontario did not keep pace with the weighted average of the grants provided in the other nine provinces in Canada. In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada, in 1978-79, the Government of Ontario would have had to

increase its operating grants by over \$90 million in that year alone.

Having examined comparative data on total income and provincial support for universities in each province up to 1978-79, it is important to see what has happened since then to these factors. Although data are not available to extend the sample period for the indicators used in Tables 1 and 2 of the Appendix, it is possible to examine changes in the key factors affecting these indicators. Table 3 of the Appendix documents, for each province, the changes in grants, fees and enrolment that have occurred in 1979-80, or are estimated to occur in 1980-81. It is clear from these data that, since 1978-79, the financial situation faced by Ontario universities has not improved relative to that of universities in other provinces. Over the past two years, Ontario universities have received the smallest percentage grant increases in Canada. This coincides with a period in which Ontario is one of only four provinces to experience enrolment increases. It is evident that, by comparison with other Canadian universities, Ontario universities have fared poorly in terms of provincial support in recent years.



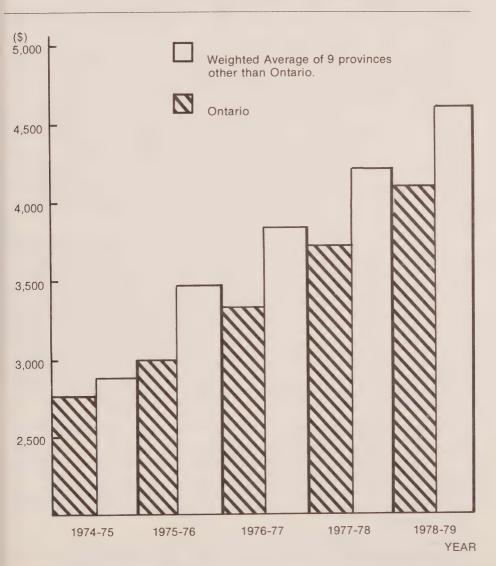
#### Interprovincial Comparison of University Revenue: Total Operating Income per FTE Student, 1974-75 to 1978-79



Note: In order for Ontario universities to have received the same level of operating income per FTE student as the weighted average of the other nine provinces in Canada in 1978-79, the operating income of Ontario universities would have had to be over \$55 million higher in that year alone.



Interprovincial Comparison of University Grants: Provincial Operating Grants per FTE Student, 1974-75 to 1978-79



Note: In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1978-79, the Government of Ontario would have had to increase its operating grants by over \$93 million in that year alone.

#### (B) Intraprovincial Comparisons

Council noted in *System on the Brink* that the severe financial constraints experienced by Ontario universities contrasted sharply with the revenue increases for the elementary and secondary schools. It was found that Ontario elementary and secondary school revenues per student increased substantially in real terms between 1970-71 and 1978-79, while university revenues per student declined during the same

period.

The present analysis updates that undertaken in *System on the Brink* and augments it with a comparison of the real growth in provincial funding per student, that is, eliminating local tax revenue for elementary and secondary schools and fees for universities. Table 4 of the Appendix presents indexes of comparable university and elementary and secondary school revenues for the period 1970-71 to 1979-80, when provincial grants plus tuition fees are used as a proxy for university revenue and provincial grants plus local tax revenues are used as a proxy for elementary and secondary school revenue. The university revenue index measures, in constant 1970-71 dollars, the provincial grants plus tuition fees per FTE enrolment received by Ontario universities over this period. The elementary and secondary school revenue index measures in real terms the provincial grants 1 plus local tax revenues per pupil received by Ontario elementary and secondary schools over the same period. These indexes are also displayed graphically in Figure 3. They show that school revenue per pupil rose 33.2% in real terms between 1970-71 and 1979-80, compared with a 13.1% decline in university revenues per student during the same period.<sup>2</sup>

Turning now to the relative level of provincial funding per student, it is found that the university sector has again not kept pace with the elementary and secondary school sector. Table 5 of the Appendix and Figure 4 present indexes of provincial grants per student for universities and for elementary and secondary schools, measured in 1970-71 dollars. Over the period 1970-71 to 1979-80, university operating grants per FTE student declined in real terms by 10.4% while provincial support per elementary and secondary school pupil increased by 46.3% when the provincial contribution to the Teachers' Superannuation Fund is included in provincial support and by 36.9% when this contribution is excluded. Operating grants to universities were \$782.4 million in 1979-80. If operating grants per FTE student had increased during the nine-year period presented in Figure 4 at the same rate as provincial support per elementary and secondary school pupil, the university system would have received an additional \$495 million in 1979-80 alone if the provincial contribution to the Teachers' Superannuation

Fund is included in the calculation or \$413 million if it is excluded.

It is clear from the interprovincial and intraprovincial data presented above that;

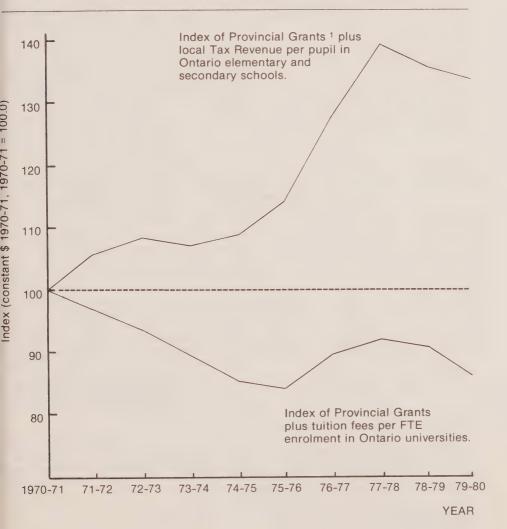
- (a) the level of provincial support received by Ontario universities in recent years has created a degree of financial stringency, which universities in most other provinces have not had to face, and
- (b) the Government of Ontario in recent years has accorded a lower priority to the funding of the university system than to elementary and secondary school support.

<sup>(1)</sup> For present purposes, provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund. Whenever the provincial contribution to the Teachers' Superannuation Fund is mentioned in this paper, it includes the provincial contribution to the Superannuation Adjustment Fund and Superannuation Adjustment Benefits.

<sup>(2)</sup> It would be desirable to include a comparable index of the provincial support per student for the other major education sector in the province, the Colleges of Applied Arts and Technology. However, it was not possible to compile what Council believes to be the most appropriate comparison data, operating grants per post-secondary student in the Colleges of Applied Arts and Technology

Figure 3

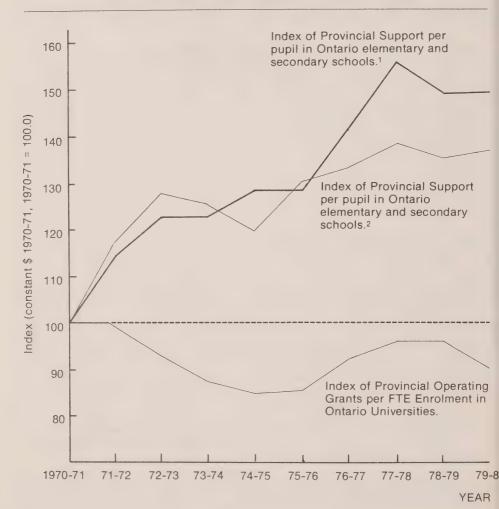
Comparison of Revenue per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1979-80 (Constant \$ 1970-71, 1970-71 = 100.0)



<sup>(1)</sup> Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund. Source: Table 4 of Appendix.

Figure 4

Comparison of Provincial Support per Student in Universities and in Elementary and Secondary Schools in Ontario, 1970-71 to 1979-80 (Constant \$ 1970-71, 1970-71 = 100.0)



<sup>(1)</sup> Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

<sup>(2)</sup> Provincial grants to schools exclude the provincial contribution to the Teachers' Superannuation Fund. Source: Table 5 of Appendix.

The data also suggest that the relative position of the Ontario university system has worsened in the years following those examined in *System on the Brink*.

The consequence of this financial stringency for the Ontario university system may be seen by examining certain areas of university expenditures. The following sections thus update similar data provided in *System on the Brink*.

### (C) Faculty and Staff Resources

The financial restrictions faced by Ontario universities have affected both the size of the faculty and staff complements and the level of their salaries. Data obtained from the Council of Ontario Universities (COU) on the size of the faculty complement are found in Table 6 of the Appendix. It indicates that the number of full-time equivalent faculty positions in Ontario universities declined by 223 or 1.7% over the period 1977-78 to 1979-80. Full-time tenure stream positions increased by 73 or 0.7% during this period, while full-time limited term positions declined by 145 or 8.8% and FTE part-time faculty positions declined by 151 or 8.3%.

It would be inappropriate to examine only the three years of faculty data presented in Table 6 of the Appendix and then attempt to draw any firm conclusions concerning trends in faculty numbers. It is more constructive to examine what has happened to the number of faculty positions over a longer time period and to compare changes in the

size of the faculty complement with changes in enrolment.

Total university enrolment peaked in 1976-77 and then declined significantly in the following two years. On the other hand, faculty numbers did not peak until 1977-78. This lag in the response by the universities to the enrolment decline experienced in 1977-78 was, for the most part, because the enrolment drop had not been anticipated (demographic trends indicated that the universities would not experience a decrease in enrolment until 1982). In 1978-79, enrolment declined again and the universities began to respond by decreasing their faculty complements. The universities continued to reduce the number of faculty positions in 1979-80 in response to the enrolment declines of the previous two years and in anticipation of a further enrolment decline in 1979-80. Unexpectedly, however, enrolment increased slightly in 1979-80. Looking ahead to 1980-81, it is now estimated that enrolment will increase by about 1% to 2% and that faculty positions will again decline by about 0.7%.

It is clear that, over the past five years, predicting short-term enrolment trends has been difficult. This unpredictability has made the universities understandably reluctant

to make drastic changes in numbers of faculty.

In addition, the universities have had to adjust to significant changes in student preferences which have resulted in large enrolment shifts among discipline sectors. For example, full-time undergraduate enrolment over the period 1975-76 to 1979-80 increased by 25.9% in health professional and occupational programs, 17.4% in engineering and applied science programs and 11.9% in social science programs (including commerce and business administration). Over the same period, full-time undergraduate enrolment in education (including physical education), humanities, and agricultural and biological sciences decreased by 16.7%, 11.9% and 14.3% respectively. At the graduate level, full-time enrolment increased significantly in education (22.6%) and in agricultural and biological sciences (61.1%). Full-time graduate enrolment declined in humanities (11.1%), social sciences (3.0%), engineering and applied sciences (7.3%), health professions and occupations (51.2%), and mathematics and physical sciences (20.0%). It is evident that these enrolment shifts among discipline sectors have created severe problems in allocating faculty resources.

Information also provided by COU indicates non-academic staff positions have been reduced at a greater rate than academic positions in recent years. It suggests that Ontario universities' non-academic staff complement declined by about 4% over the period 1977-78 to 1979-80.1 This decline in the number of support staff has had an adverse effect on the level of service in Ontario universities. It has affected all facets of the universities' operations, everything from the maintenance of plant, to research and general administration. Staff positions are expected to decline by a further 1.0% in 1980-81.

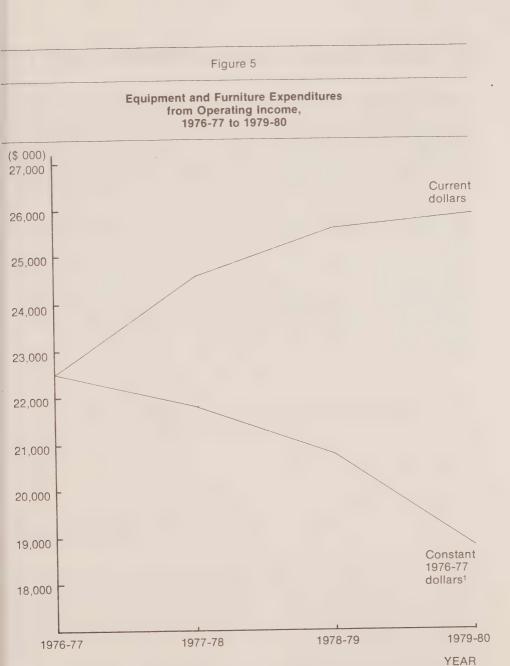
With respect to salaries, the recently published study by the Conference Board in Canada, Compensation in Canada: A Study of the Private and Public Sectors, indicates that wages and salaries for the non-academic positions in universities in 1978 were at the low end of the public and private sectors included in the study. Data supplied by COU show that faculty compensation has not kept pace with salaries in other sectors in the province. In particular, faculty salary increases have lagged behind those for economists, engineers and research scientists in sectors such as mining, manufacturing, communications, service and finance.

#### (D) Equipment and Furniture

Non-salary expenditures have been curtailed in recent years in response to the underfunding experienced by Ontario universities. This has been particularly true of the expenditures on equipment and furniture — over 80% of which are devoted to equipment expenditures including computer costs. Table 7 in the Appendix shows the actual or anticipated expenditures on equipment and furniture for individual institutions and the system as a whole for the period 1976-77 to 1979-80. The first three years of data are the universities' actual expenditures on equipment and furniture, while the data for 1979-80 are their anticipated final expenditures for that year. Figure 5 illustrates graphically what has happened to these expenditures on a system-wide basis over this period.

The equipment and furniture expenditure data found in Figure 5 are provided in both current and constant 1976-77 dollars. The constant dollar expenditures for 1977-78 and 1978-79 are deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index (OUNSPI). While there was a 5.4% increase in actual system expenditures from 1976-77 to 1977-78, and a 4.0% increase in the following year, the equipment and furniture component of OUNSPI correspondingly increased by 12.6% and 11.0%, implying that the value of equipment and furniture declined significantly in real terms. Although OUNSPI figures are not available for 1979-80, it is clear that the situation is worsening. The 1979-80 constant dollar figure shown in Table 7 of the Appendix was deflated by Council's estimate of the change in the total OUNSPI for that year. This figure implies that equipment and furniture expenditures declined in real terms by about 9% in 1979-80 as compared to a 6% drop in each of the previous two years. All of the available information suggests that the already severe problem of maintaining and replacing equipment and furniture is worsening.

<sup>(1)</sup> The sample did not include Lakehead and York



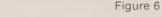
<sup>(1)</sup> The 1977-78 and 1978-79 constant dollar figures were deflated by the equipment and furniture component of the Ontario University Non-Salary Price Index. The 1979-80 figure is deflated by Council's estimate of the change in the total OUNSPI for 1979-80.

Source: Table 7 of the Appendix.

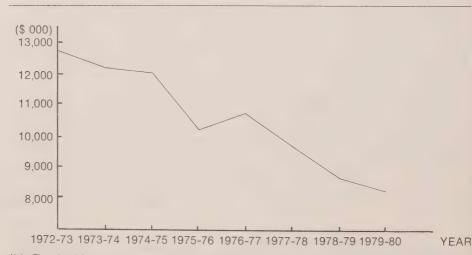
#### (E) Library Books and Periodicals

Another area of non-salary expenditures that has been curtailed as a result of the financial constraints experienced by the universities is expenditures on library book and periodical acquisitions. It was pointed out in *System on the Brink* that acquisitions of library books and journals by Ontario universities have declined almost uninterruptedly since 1972-73. Table 8 updates these data, indicating that the total value of library acquisitions for individual institutions and for the system, measured in constant dollars, 1 continues to decline. Over the period 1972-73 to 1979-80 the total value of library acquisitions declined by over 33% when measured in constant dollars. Figure 6 illustrates this decline.

The decline in library acquisitions experienced in recent years has been caused by more than the pressures of general financial constraints; it reflects exceptionally rapid increases in the prices of books and periodicals. During the period 1972-73 to 1979-80 library acquisition expenditures increased by about 47%, while during the same period library books and periodical prices increased by over 146%. In recent months there has been mounting concern over the level of price increases anticipated for books and periodicals in 1980-81. It is estimated that the rate of inflation for books and periodicals will match or surpass that experienced in the peak period of 1977-78 to 1978-79 which resulted from the decline in the value of the Canadian dollar. Such inflationary pressure, when combined with underfunding, will make it extremely difficult for universities to maintain adequate collections.



Expenditures on Library Acquisitions from Operating Income, 1972-73 to 1979-80 (\$ 000 constant 1972-73)



Note: The price deflator used for calculating constant dollar values for 1972-73 was the Books and Periodicals Component of the Ontario University Non-Salary Price Index. The price deflator used for 1979-80 was provided by Queen's University. Source: Table 8 of the Appendix.

<sup>(1)</sup> The price deflator used for calculating constant dollar values for the years 1972-73 to 1978-79 was the Books and Periodicals component of the Ontario University Non-Salary Price Index. The remaining year of data was deflated by a books and periodicals inflation estimate provided by Queen's University.

#### (F) Capital Funding

The constraints on capital assistance have been even more severe than those imposed on operating income in recent years. Council, in its funding advice to Government, has consistently selected a level of 1% of the value of the space inventory in the universities as the minimum needed annually for new major repairs, renovations and replacement projects, excluding any amounts necessitated by carryovers. As Table A indicates, for 1980-81, this factor generated a recommendation for \$19.1 million, but only \$4.5 million were made available by Government for these purposes. The accumulated shortfall estimated in System on the Brink to the end of 1979-80, will increase by \$14.6 million to \$47.1 million by the end of 1980-81. It must be stressed that this degree of underfunding will cause problems in the future, when large outlays of capital assistance will be necessary, and over the long term will be more costly than the annual provision of a reasonable level of funds, particularly for major repairs.

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#### Shortfalls in New Capital Funding for **Major Repairs and Renovations** (\$ millions)

	OCUA	Government	Accumulated
	Recommendation	Grants	Shortfall
1976-77	11.8	10.2	1.6
1977-78	14.1	6.0	9.7
1978-79	14.5	5.9	18.3
1979-80	17.9	3.7	32.5
1980-81	19.1	4.5	47.1

#### (G) Allocative Formula

Although the current financial difficulties faced by Ontario universities can be attributed directly to system underfunding, whenever individual institutions are faced with severe financial constraints they are bound to be concerned about the method of distribution of the limited funds available. As a result of the expression of such concerns at the Spring hearings of 1980, Council has included an analysis of the influence of the existing allocative formula on the funding of individual institutions. This material updates and augments a similar analysis presented in System on the Brink.

Tables 9 and 10 of the Appendix extend, by one year, the original data. In addition, the data for 1978-79 have been revised on the basis of the final Basic Income Unit (BIU) count for that year. As before, the Basic Operating Income (BOI) plus Supplementary Grants (excluding Bilingualism and Northern Ontario grants) approximates the funding received by each university. The current BIUs are a measure of the enrolment

load on each institution.

Table 11 in the Appendix ranks institutions according to the difference from the average total BOI plus Supplementary Grants per BIU over the period 1974-75 to 1979-80. These differences show that the allocative formula has had a varying impact on individual institutions. In particular, the figures illustrate that the formula serves to insulate institutions from the financial effects of enrolment decline. It is also interesting to note that, on a cumulative basis, only five institutions are more than 6% above or below the average BOI plus Supplementary Grants per BIU for the period.

In a system where all of the institutions are interdependent, a degree of protection from the financial effects of enrolment decline serves the goal of stability. In a context of continued general underfunding, however, too great a degree of insulation may have serious consequences and could legitimately become a matter for increased concern.

#### (H) Research Funding

In both *The Ontario University System:* A Statement of Issues and System on the Brink, Council has expressed serious concerns about the impact of underfunding on the Ontario university system's ability to carry out its research function. In System on the Brink Council also listed some of the benefits from university research, which have accrued to industry and society in general over the past two or three decades. Council continues to be concerned that a decline in the Ontario university research base will have ramifications far beyond those felt by the Ontario university system. The ability of the universities to benefit industry and society will be severely diminished.

Although the need for a strong research effort has become generally recognized as being an essential ingredient for the promotion of industrial growth, Canada's research activity has remained significantly below the level of most industrialized countries. At present, Canada's total expenditure for research and development is equal to just over 0.9% of the Gross National Product (GNP). This level compares with a 2.3% figure for West Germany, 2.2% for the United States, 1.9% for Japan and 1.8% for France. Measured as a percentage of GNP, Canada's research effort is less than half that undertaken by these industralized nations.

In recent years there appears to have been a renewed emphasis on investment in research and development. In 1978, the Government of Canada set a national target for research and development expenditures at 1.5% of GNP by 1983. Earlier this year, the Minister of State for Science and Technology announced that the achievement of this target would be delayed until the mid-1980s. Presently, the industrial sector accounts for one-third of our expenditure on research and development, while the remaining two-thirds is spent by government and the universities. Even if the industrial proportion is increased as expected by government, a significant proportion of the new research initiatives required to meet the federal government's target will have to come from the universities.

Research in Canadian universities has traditionally been supported by both the federal and provincial governments. Specific federal support has been provided primarily through the three national granting agencies: the Natural Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC) and the Social Sciences and Humanities Research Council (SSHRC). Grants provided by these agencies to university researchers contribute only to the direct costs of the research undertaken. The federal government's renewed commitment to research was demonstrated by a substantial increase in the funds provided to the three federal granting agencies. For 1980-81, the budget for NSERC increased by 34% or \$41.4 million over the previous year to \$162.4 million, MRC's budget increased by 17% or

\$11.9 million to \$82 million, and SSHRC's budget increased by 16% or \$5.8 million to \$41.7 million.

For the most part, provincial support for research has been provided through normal operating grants to universities. The Government of Ontario has also supported a significant amount of research in particular areas in the universities through specific grants or contracts. The operating grants of the universities have supported: (1) the direct and indirect costs of research undertaken by faculty as part of their normal responsibilities; (2) some of the direct costs of research funded by federal agencies; (3) all of the indirect costs of the grants provided by external councils; and (4) in certain instances, the indirect costs of contract research, although in recent years, the universities have negotiated overhead costs in many external contracts. The constraints placed on operating grants in recent years have hampered the research efforts of Ontario universities and will severely restrict the ability of the universities to

respond to any new research challenge.

Council has repeatedly pointed out that the combined effects of underfunding, the uneven age distribution of the faculty complement and declining enrolments in certain disciplines have made it difficult for universities to add new academic staff in recent years. With most faculty members below 45 years of age, Canadian universities face the prospect of not being able to bring in, for almost a generation, the "new blood" essential to the stimulation of research and the maintenance of scholarship. This problem has broader implications than simply the decline of the quality of university research. Because Canada's research efforts are so heavily concentrated in the universities, the situation outlined above will result in severely restricted opportunities for well-qualified researchers, especially those who should be beginning their careers, to carry out productive research. It is essential that the research force in Canada be maintained and strengthened by bringing new researchers into the system through whatever initiatives are necessary.

In The Ontario University System: A Statement of Issues, Council suggested that a possible step towards overcoming this problem was that "the universities might consider asking the federal granting councils to seek funds for several hundred five-year research career awards to be granted competitively". NSERC recently responded to this problem by beginning a program of University Research Fellowships aimed at expanding career opportunities in research in the natural sciences and engineering.

NSERC stated in its press release of June 1980:

The program of research fellowships will assist Canada in the maintenance of university R & D and in the provision of an adequate supply of promising and highly qualified researchers in Canadian universities to help meet the expected increased demand for new faculty appointments in the early 1990s caused by an increased retirement rate of existing faculty and increased student enrolments.

In 1980, up to one hundred five-year awards will be offered. Each award is valued at up to \$23,500 per annum and is paid to the university as a contribution towards the salary and fringe benefit costs of the Fellow. NSERC Research Fellows will also be provided with an annual operating grant for an initial establishment period of up to three years. Similar in nature to other NSERC grants, these funds will go towards

covering the direct cost of research.

Council supports and encourages the federal government's initiatives to stimulate research in Canadian universities and to bring "new blood" into the research enterprise. But Council notes that these initiatives, for example the NSERC Research Fellowships, do not cover all the direct costs involved. Council notes as well the concern expressed by McMaster University at this Spring's hearing, that in the present climate of underfunding there are insufficient funds available to cover the indirect costs

of research. The residual direct costs and the indirect costs of sponsored research, including such costs as library, computer, administrative and physical plant resources, and technical support staff, have had to be covered by the operating grants provided by the provincial government. The recent study by the Canadian Committee on Financing University Research, Report of the Pilot Study on the Cost of University Research, found that the ratio of indirect to direct expenditures in research activity varied, depending on the university examined, from a low of 47% to a high of 63% in the six universities sampled. Clearly, a large proportion of the total cost of research comprises indirect costs. Thus the acceptance of research grants from a federal agency places an extra financial burden on the universities that must be met by reallocating resources from other functions.

At one time, the Province of Ontario provided a level of funding which was sufficient to cover a large part of the indirect or overhead costs of research. As noted earlier, however, the operating grants provided to Ontario's universities have in recent years been such that the universities have not been able to maintain their research base, particularly with respect to equipment and libraries (as illustrated in Sections D

and E in this paper).

In view of the difficulties presently experienced by Ontario universities in covering the costs of the existing level of research activity, it would appear that under the present funding arrangements, Ontario universities will be unable to respond effectively to the challenge presented by the federal government's initiatives in the research area. If underfunding persists, Ontario universities will not have sufficient funds available from their operating grants to cover the indirect costs of the new, federally sponsored initiatives. Of all the university systems in Canada, Ontario's system is one of those least likely to be able to respond effectively to the federal government's initiatives. If Ontario universities are unable to afford to increase their research efforts in the same manner as universities in other provinces, their position relative to other Canadian universities will be seriously eroded. The situation has become sufficiently critical that the Government of Ontario, besides providing an adequate level of funding for the universities, should immediately begin discussions with the federal government in an effort to have the latter provide support for the indirect costs associated with federally sponsored research.

With respect to Ontario's total research effort, Council proposed in 1978 in *The Ontario University System: A Statement of Issues* the establishment of a special Provincial industrial research fund to support projects undertaken by industry and the universities that were of direct importance to the industrial base of Ontario. In *System on the Brink*, Council identified a trend in other provinces towards establishing agencies which develop a co-ordinated research strategy in areas of provincial concern. Council suggested that unless Ontario intends to allow the deterioration of the strong research base that it has developed, additional research initiatives would be needed in Ontario, similar to those undertaken in other provinces. Council notes with much interest the proposal presented earlier this year to the Premier by the Council of Ontario Universities for an Ontario Council for Research and Productivity. COU suggests that such a body would have two major functions:

1. The formulation of policies to promote a more creative partnership in research of government, business, industry and the universities in support of provincial goals; and

2. The identification and funding of specific needs and opportunities for research and development in areas that are important for the diversification and improvement of provincial productivity.<sup>1</sup>

<sup>(1)</sup> University Research and the Province of Ontario, A Report of the Special Committee on the Provincial Support of University Research, Council of Ontario Universities, p.p. 6, 7.

Council supports the general concept of such a body and believes that the provincial government should give this proposal serious consideration. The coordination and support of research initiatives in areas of provincial importance would be instrumental in improving Ontario's position in industry and business in the future.

#### Conclusion

It is clear from the evidence presented in this paper that the Ontario university system remains in trouble. The dramatic shifts among discipline sectors that have occurred in undergraduate and graduate enrolments over the past five years are persisting and are creating severe problems in allocating faculty and staff resources. Furthermore, continuing financial constraints have forced the universities to severely curtail expenditures on non-salary items such as library acquisitions and equipment

purchases.

The overall effect of underfunding is the growing inability of the universities to carry out the goals stated in the introduction to this paper, let alone to respond to new challenges. With regard to the latter, the growing interest of the federal government in increasing research is particularly telling. To repeat what was stated in the introduction to this paper, of all the university systems in Canada, Ontario's system is in one of the worst positions to respond effectively to the challenge presented by the federal government. A continuation of the present research funding policies of both levels of government will result in the continued deterioration of the Ontario university system's research base, thereby undermining Ontario's ability to promote industrial growth through research and innovation.





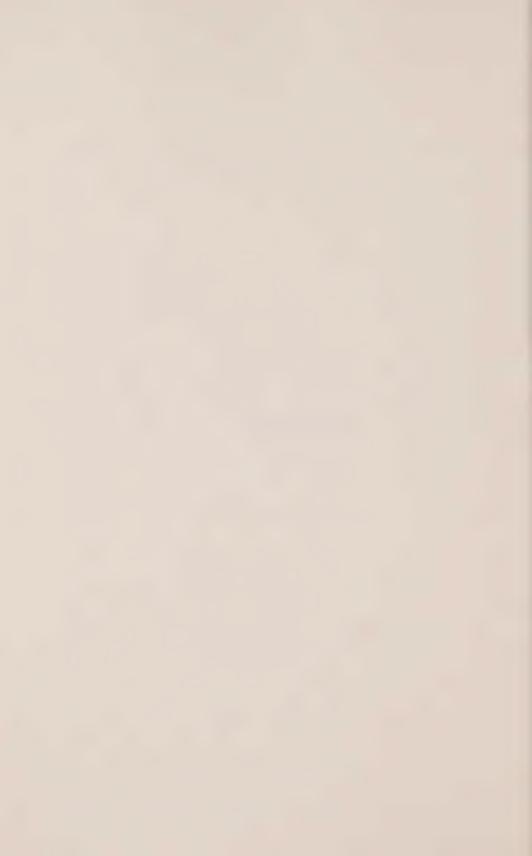


				Table 1						
	Inter Total Ope	provinci rating l	al Compar ncome per	isons of FTE Stu	Interprovincial Comparisons of University Revenue: Total Operating Income per FTE Student, 1974-75 to 1978-79	Revenue 75 to 19	97-82			
	1974-75	Rank	1975-76	Rank	1976-77	Rank	1977-78	Rank	1978-79	Rank
British Columbia	3,631	2	4,310	2	4,836	2	5,246	2	5,755	2
Alberta	3,458	7	4,039	5	4,578	8	5,098	က	5,636	8
Saskatchewan	3,541	5	4,150	8	4,462	5	4,906	5	5,554	4
Manitoba	3,030	6	3,579	6	3,996	8	4,441	0	4,780	0
Quebec	3,449	8	4,136	4	4,508	4	4,917	4	5,140	7
New Brunswick	3,488	9	3,948	7	4,415	9	4,754	9	5,216	5
Nova Scotia	3,640	-	4,014	9	3,907	6	4,572	80	5,180	9
P.E.I.	2,885	10	3,015	10	3,366	10	3,106	10	4,155	10
Newfoundland	3,560	4	4,413	-	5,028	-	5,411	-	6,278	-
Weighted average for 9 provinces other than Ontario	3,466		4,090		4,486		4,916		5,323	
Ontario	3,566	က	3,797	80	4,172	7	4,620	7	5,068	∞
Canada	3,504		3,978		4,366		4,808		5,233	

(1) Weighted by enrolment. Source: Second Report of the Tripartite Committee on Interprovincial Comparisons, September 1980, page 9.

				Table 2						
	Int Provincial	erprovind Operatin	Interprovincial Comparisons of University Grants: Provincial Operating Grants per FTE Student, 1974-75 to 1978-79	risons of er FTE S	Universit tudent, 19	y Grants: 74-75 to 1	978-79			
	1974-75	Rank	1975-76	Rank	1976-77	Rank	1977-78	Rank	1978-79	Rank
British Columbia	2,981	က	3,577	က	4,014	2	4,420	က	4,897	8
Alberta	2,965	4	3,545	4	3,982	4	4,435	2	4,939	2
Saskatchewan	2,812	5	3,324	5	3,633	5	3,980	2	4,511	2
Manitoba	2,591	80	3,012	9	3,446	9	3,865	9	4,111	7
Quebec	2,998	2	3,672	2	4,006	က	4,376	4	4,601	4
New Brunswick	2,639	7	2,934	6	3,345	∞	3,850	7	4,293	9
Nova Scotia	2,484	6	2,939	8	3,321	0	3,558	6	3,887	6
P.E.I.	2,287	10	2,424	10	2,752	10	2,895	10	3,420	10
Newfoundland	3,094	-	3,899	-	4,469	-	4,826	-	5,672	-
Weighted average for 9 provinces other than Ontario	2,891		3,476		3,864		4,249		4,607	
Ontario	2,762	9	2,999	7	3,358	7	3,772	80	4,096	80
Canada	2,842		3,294		3,671		4,074		4,426	

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Interprovincial Comparisons, 1979-80 and 1980-81

	% Increas	% Increase in Grants	% Increase In Fee Rates¹	ו Fee Rates	% Change In F	% Change In FTE Enrolment <sup>2</sup>
	1979-80	1980-81	1979-80	1980-81	1979-80	1980-81
British Columbia	8.3	9.5	0.0	8.3-10.0	1.4	2.5
Alberta	16.8	12.0	0.0	10.0	-1.2	0.0
Saskatchewan	6.95	8.0	5.0-6.3	5.3-8.3	-1.5	-1.0 to 1.0
Manitoba	0.9	8.3	0.9	8.0	-3.0	0.0
Ontario	5.0	7.2	5.0	7.5-18.33	0.4	1.0
Quebec	8.7	13.7	0.0	0.0	3.0	3.5
New Brunswick	8.0	7.9	7.3	7.6	-2.1	-1.0
Nova Scotia	6.8	9.7	8.9	7.5	-2.2	-1.0
P.E.I.	6.8	7.9	5.3	9.5	-4.1	-1.0
Newfoundland	0.6	10.0	0.0	10.0	2.4	0.4

(1) Fee increases may differ among institutions and programs within institutions. When no range of increases is provided, the figure represents a rough average of fee increases across the province.

(2) Enrolment changes for 1980-81 are estimates.
 (3) Comprises a 7.5% formula fee rate increase and a discretionary fee rate increase of up to 10% of the formula fee rate.

Table 4

## Comparison of Revenue per Student in Universities and Elementary and Secondary Schools in Ontario in Constant 1970-71 Dollars, 1970-71 = 100.0, 1970-71 to 1979-80

	Index of Provincial Operating Grants Plus Tuition Fees per FTE University Student	Index of Provincial Grants plus Local Tax Revenue per Elementary and Second- ary School Pupil
1970-71	100.0	100.0
1971-72	98.3	105.5
1972-73	95.6	108.0
1973-74	98.8	106.9
1974-75	85.4	109.1
1975-76	84.3	113.4
1976-77	88.0	127.4
1977-78	91.7	137.5
1978-79	91.3	135.5
1979-80	86.8	133.2

Notes

<sup>1.</sup> Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Indexes are in constant 1970-71 dollars, deflated by the January Consumer Price Index (CPI) for each year.Source: Ministry of Colleges and Universities

Table 5

# Comparison of Provincial Support per Student in Universities and Elementary and Secondary Schools in Ontario in Constant 1970-71 Dollars, 1970-71 = 100.0, 1970-71 to 1979-80

	Index of Prov- incial Operating Grants per FTE University	Index of Prov- incial Support per Elementary and Secondary	Index of Prov- incial Support per Pupil, excl- uding Teachers'
	Student	Pupil <sup>1</sup>	Superannuation
1970-71	100.0	100.0	100.0
1971-72	100.0	116.3	116.7
1972-73	94.0	124.6	127.8
1973-74	87.9	124.8	126.0
1974-75	84.8	128.0	120.9
1975-76	83.1	129.6	130.7
1976-77	90.6	137.7	133.7
1977-78	93.6	152.1	137.8
1978-79	94.0	145.8	135.9
1979-80	89.6	146.3	136.9

<sup>(1)</sup> Provincial grants to schools include the provincial contribution to the Teachers' Superannuation Fund.

Note: Indexes are in constant 1970-71 dollars, deflated by the January CPI for each year.

Source: Ministry of Colleges and Universities.

	Table 6		
	ic Staff Compleme 77-78 to 1979-801	ents,	
	1977-78	1978-79	1979-80
Full-Time Tenure Stream	9,808	9,926	9,881
Full-Time Limited Term	1,643	1,584	1,498
FTE of Part-Time	1,815.9	1,751.3	1,664.6
TOTAL FTE	13,266.9	13,261.6	13,043.6

<sup>(1)</sup> Excludes Algoma, Nipissing, Hearst and Dominican Colleges, the Ontario College of Art and the church-related affiliates of the provincially assisted universities. Full-time faculty is reported as of October 1st of each year.

Table 7

Equipment and Furniture Expenditures from Operating Income 1976-77 to 1979-80 (\$ 000)

	1976-77	1977-78	1978-79	1979-80
Brock	271	238	206	321
Carleton	1,023	1,209	1,230	976
Guelph	1,633	1,482	1,812	1,182
Lakehead	291	355	346	430
Laurentian	188	307	312	252
Nipissing	63	33	26	20
Hearst	68	17	19	65
McMaster	1,414	1,718	2,035	1,371
Ottawa	1,301	1,395	1,563	2,214
Queen's	1,574	803	1,182	1,474
Toronto	4,704	5,841	7,003	5,964
Trent	160	138	118	111
Waterloo	2,432	3,099	2,255	2,720
Western	3,138	3,336	3,283	3,409
Wilfrid Laurier	574	556	565	522
Windsor	1,064	1,010	975	1,241
York	1,210	948	1,439	1,759
Ryerson	2,057	1,941	956	1,176
OISE	251	260	349	221
TOTAL (constant	23,416	24,686	25,674	26,058
1976-77 \$s)	(23,416)	(21,922)	(20,538)	(18,694)

### Notes:

Source: COFO-UO Financial Reports for 1976-77, 1977-78 and 1978-79. Anticipated final expenditures obtained from the universities for 1979-80.

<sup>1.</sup> Excludes Algoma College since data were not available for 1976-77.

<sup>2.</sup> The price deflator used for calculating constant dollar values for 1977-78 and 1978-79 was the Equipment, Computer and Furniture component of the Ontario University Non-Salary Price Index. The price deflator used for 1979-80 was Council's estimate of the value of the total Ontario University Non-Salary Price Index. The percentage increases in the Equipment, Computer and Furniture component of the index were quite similar to those experienced by the total index in the first three years of table.

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# Expenditures on Library Acquisitions from Operating Income (\$ 000 constant 1972-73)

	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
Brock	213	214	252	264	219	208	175	166
Carleton	824	847	866	650	681	685	521	474
Guelph	565	809	635	505	635	550	514	460
Lakehead	287	296	263	236	257	258	193	202
Laurentian	300	254	246	218	200	192	159	137
McMaster	830	915	974	860	1,016	894	858	836
Ottawa	1,378	1,210	1,048	844	762	704	621	616
Queen's	1,001	817	868	716	602	612	552	630
Toronto	2,222	2,209	1,902	1,853	1,693	1,653	1,552	1,586
Trent	235	195	252	241	235	230	169	171
Waterloo	933	987	266	992	762	794	669	699
Western	1,352	1,029	1,097	1,108	1,246	926	917	885
Wilfrid Laurier	235	273	436	365	361	345	291	249
Windsor	909	675	756	635	693	602	480	458
York	1,320	1,187	866	934	819	741	664	695
Ryerson	250	278	337	77	227	198	123	136
OISE	128	125	116	06	29	80	73	68
TOTAL	12,678	12,119	12,043	10,362	10,594	9,702	8,561	8,438

Note: The price deflator used for calculating constant dollar values for 1972-73 to 1978-79 was the Books and Periodicals component of the Ontario University Non-Salary Price Index. The price deflator used for 1979-80 was provided by Queen's University.

Source: Council of Ontario Universities for the years 1972-73 to 1977-78.

	BOIF	lus Suppleme	ntary Grants I	BOI Plus Supplementary Grants Per Current Year BIU1	ear BIU¹		
	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	TOTAL <sup>2</sup>
Brock	1,872 (115)	1,956 (83)	2,241 (18)	2,526	2,886	2,925	2,394 (36)
Carleton	1,944 (83)	1,983 (80)	2,256	2,611	2,854	2,962	2,427 (27)
Guelph	1,776	2,011	2,221	2,473	2,813	2,957	2,371
Lakehead	2,155 (226)	2,164 (244)	2,383 (192)	2,484 (139)	2,769 (98)	3,120 (74)	2,510 (162)
Laurentian	1,935 (241)	2,195 (168)	2,334 (148)	2,659 (103)	2,755 (51)	2,901 (21)	2,465 (122)
Algoma³	2,115	2,250	2,694	2,996	3,508	4,343	2,841
Nipissing	1,565	1,608	1,866	2,274	3,381	3,163	2,262
Hearst	1,886	2,361	2,713	3,949	2,882	4,406	2,840
McMaster	1,802	1,975	2,258	2,547	2,788	2,949	2,383
Ottawa	1,839	1,984	2,218	2,560	2,664	2,711	2,335
Queen's	1,871	2,010	2,207	2,458	2,662	2,789	2,337
Toronto	1,863	2,055	2,290	2,590	2,672	2,770	2,374
Trent	2,301 (531)	2,449 (522)	2,604 (461)	2,753 (385)	3,129 (345)	3,240 (302)	2,748 (424)
Waterloo	1,907	1,988	2,171	2,481	2,702	2,831	2,349
Western	1,837	2,001	2,292	2,559	2,807	2,932	2,398
Wilfrid Laurier	1,910	1,894	2,215	2,441	2,618	2,655	2,299
Windsor	1,866 (51)	1,852 (48)	2,085	2,441	3,022	3,154	2,385 (16)
York	1,891 (11)	2,001 (29)	2,221	2,596	2,822	2,905	2,401 (7)
Ryerson	1,673	2,011	2,346	2,449	2,436	2,518	2,255
OISE	1,798	1,962	2,133	2,270	2,389	2,579	2,203
OCA	1,458	1,585	1,926	2,157	2,379	2,448	2,035
TOTAL	1,863 (21)	2,007 (22)	2,246 (10)	2,535 (9)	2,734 ( 6)	2,845 (5)	2,372 (11)

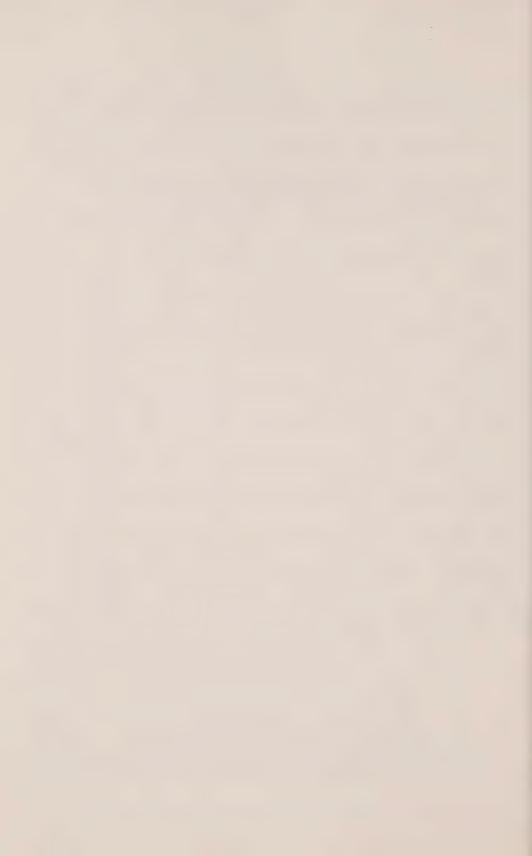
<sup>(1)</sup> Bracketed figures represent that portion of the main figure which is attributable to Supplementary Grants.
(2) Calculated by dividing total BOI plus Supplementary Grants for the period 1974 to 1980 by total BIUs for the same period.
(3) These figures do not include the \$100,000 per annum given to Algoma since 1978-79 by the Ministry of Northern Affairs. If these funds were included, Algoma's figure for 1979-80, for example.

			Table 10				
ā	Difference from Average BOI Plus Supplementary Grants Per Current Year BIU	rage BOI Plus	Supplementa	ry Grants Per	Current Year	BIU	
	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	TOTAL
Brock	6	- 51	- 5	6 -	152	80	22
Carleton	81	- 24	10	92	120	117	55
Guelph	- 87	4	- 25	- 62	62	112	-
Lakehead	292	157	137	- 51	147	275	138
Laurentian	72	188	88	124	21	56	93
Algoma	252	243	448	461	774	1,498	469
Nipissing	-298	-399	-380	-261	647	318	-110
Hearst	23	354	467	1,414	148	1,561	467
McMaster	- 61	- 32	12	12	54	104	=
Ottawa	- 24	- 23	- 28	25	- 70	-134	- 37
Queen's	8	င	- 39	- 77	- 72	- 56	- 35
Toronto	0	48	44	56	- 62	- 75	2
Trent	438	442	358	218	395	395	376
Waterloo	44	- 19	- 75	- 54	- 32	- 14	- 23
Western	- 26	- 6	46	24	73	87	25
Wilfrid Laurier	47	-113	- 31	- 94	-116	-190	- 73
Windsor	က	-155	-161	- 94	288	309	13
York	28	- 6	- 25	61	88	09	29
Ryerson	-190	4	100	- 86	-298	-327	-117
OISE	- 65	- 45	-113	-265	-345	-266	-169
OCA	-405	-422	-320	-378	-355	-397	-337

Table 11

Rank Order of the Difference from the Average BOI plus
Supplementary Grants per BIU over the period 1974-75 to 1979-80

	-	
Institution	Differences Fro	om Average
	\$	%
1. OCA	-337	(14.2)
2. OISE	-169	(7.1)
3. Ryerson	-117	( 4.9)
4. Nipissing	-110	( 4.6)
5. Wilfrid Laurier	- 73	( 3.1)
6. Ottawa	- 37	( 1.6)
7. Queen's	- 35	( 1.5)
8. Waterloo	- 23	( 1.0)
9. Guelph	- 1	( )
10. Toronto	2	( 0.1)
11. McMaster	11	( 0.5)
12. Windsor	13	( 0.5)
13. Brock	22	( 0.9)
14. Western	25	( 1.1)
15. York	29	( 1.2)
16. Carleton	55	( 2.3)
17. Laurentian	93	( 3.9)
18. Lakehead	138	( 5.8)
19. Trent	376	(15.9)
20. Hearst	467	(19.7)
21. Algoma	469	(19.8)



# **System Rationalization**

A Responsibility and An Opportunity

"... if the universities don't get together and do the job themselves the Government will step in and do it for them."



In its 1979 paper System on the Brink and in its most recent paper A Financial Analysis of the Ontario University System — 1980, Council voiced serious concerns about the future of the university system in Ontario. Persistent underfunding has strained the capacity of the Ontario universities to fulfill collectively the objectives of the university system as set forth by Council in its 1978 paper The Ontario University System: A Statement of Issues. In addition, the university system, which was greatly expanded to meet the demands of the 1960s, must contend with anticipated enrolment declines in this decade. The universities must seek to maintain quality and diversity in the face of these circumstances and make the most effective use of the public funds through which they are primarily financed.

These factors have led Council, and others, to conclude that there is a need for system-wide consolidation and rationalization in Ontario. The aim should be to provide the best possible range of programs of the highest quality with an appropriate degree of duplication, at any given level of funding. It is of paramount importance, particularly in a context of financial constraint and enrolment decline, to prevent and eliminate undesirable duplication in order to protect existing strong programs, to preserve opportunities for innovation, and to ensure that resources be effectively used and available in areas of need. The purpose of this paper is to discuss possible ways of

achieving these objectives.

The approach to planning within a university system can vary from complete autonomy to total government control, with all possible mixes of autonomy and control in between. These matters have previously been addressed by Council in *The Ontario University System: A Statement of Issues.* Many jurisdictions in North America have moved to university systems which involve extensive planning by government. In the existing Ontario university system there is considerable collective autonomy in program planning, except with respect to professional and graduate programs where the Minister retains final authority for funding approval. In rendering its advice to the Minister, Council has developed increasingly explicit criteria for evaluating proposals for new graduate programs and has employed similar concepts in evaluating proposals

For most of the growth period of the last twenty years, there has been, at least at the undergraduate level, little attempt on the part of the university system in Ontario to coordinate program development. There has been a minimum of cooperative planning, on the assumption that, somehow or other, an acceptable total provincial array of programs would follow automatically from the sum of the plans of each institution. A somewhat more coordinated approach to planning has evolved at the graduate level. Any new graduate program that is introduced by a university must now satisfy a set of established criteria before it may be approved for funding purposes. In addition, procedures are now in place to evaluate existing graduate programs. With respect to planning, each institution is now aware of the proposed programs disclosed in the five-year plans of the other institutions. The question to be answered is whether the present arrangements are appropriate for Ontario and, if not, what direction should be taken in the future.

With many institutions involved in the system it may be that, without any coordinating effort, the outcomes of the independently drawn plans of the individual institutions may not be appropriate from a provincial perspective. Indeed, this is precisely the situation which the university system in Ontario is beginning to face. While there is general agreement that it is desirable to leave as much planning responsibility as possible in the hands of the individual institutions, it is becoming increasingly clear that some degree of coordination and cooperation is necessary.

That Council is not alone in this view is evident, for example, from the response of the Council of Ontario Universities (COU) to *The Ontario University System: A Statement of Issues* in which COU stated its desire to have Council "assume a broader role in assisting the universities to coordinate their planning". Further, the Ontario Confederation of University Faculty Associations in its 1980 brief to Council stated "Attention must be paid to the means by which universities might be encouraged and aided in the process of identifying long-range academic priorities...and in the coordination of academic offerings".

Planning for the future must begin with two points in mind. First, there is a university system in Ontario. Second, there must be a developing recognition by all the institutions of the role of each institution within the system. Institutional role identification is a process which must evolve over time. Once this is established, each institution must accept its role within the system and base its plans for the future on its existing strengths. Role differentiation need not limit initiatives for development but should channel them to meet system needs where institutional strengths exist.

Council initiated discussions regarding role identification at the 1980 Spring hearings. While some institutions have clear perceptions of their roles, others are having difficulty in defining their distinctive roles within the university system. Council considers that each university must come to grips with this issue as a basis for rationalizing and planning the effective development of Ontario's university system.

If the universities are to operate as a system, it is clear that some central authority is necessary to coordinate the process. It is unrealistic to assume that the institutions, acting independently, will be able to achieve rationalization. In Council's opinion, it would be preferable for this authority to reside with COU, but Council recognizes that a voluntary association of unviersities may not be in a position to exercise such authority.

In the sections that follow, Council addresses the issues of system planning and rationalization. A necessary aspect of any cooperative planning process is the introduction of mechanisms whereby the plans of each institution can be reviewed in the light of the plans of the others. Positive steps have recently been taken in this direction. The 1979 brief of the Ontario Council on Graduate Studies (OCGS) to Council contained a list of all graduate programs proposed in the universities' five-year plans for the first graduate planning quinquennium, 1979-80 to 1983-84, as well as a list of program prosposals which appeared in earlier plans and submissions but which were not included in the five-year plans. Also, in the briefs presented to Council by the individual institutions during the 1980 Spring hearings, Council sought and received each institution's plans for the next four to five years at the undergraduate level. Each institution is therefore able to review the plans of the others. These undergraduate and graduate plans<sup>3</sup> are presented in the next section of this paper.

In order to place these plans in proper perspective, the programs should be viewed both within an institutional and a provincial context. For this purpose, Council has provided, in the appendices, lists of the current program offerings of each institution. In Appendix A, Council has reprinted the lists of university program offerings that appear in the 1980-81 issue of the Ministry of Colleges and Universities publication *Horizons*. At the graduate level, Council in Appendix B, has grouped program offerings into the following eight sectors: Sector 1 — Humanities, Sector 2 — Fine and Applied Arts, Sector 3 — Social Sciences, Sector 4 — Applied Social Sciences, Sector 5 — Physical Sciences, Sector 6 — Applied Physical Sciences, Sector 7 — Life Sciences, and Sector 8 — Medical and Applied Life Sciences. Appendix C sets forth the graduate offerings of each institution and the 1979-80 enrolment in each program. These data were provided

<sup>(1)</sup> The Role of OCUA, Council of Ontario Universities, June 1979, page 3.

Brief to the Ontario Council on University Affairs, Ontario Confederation of University Faculty Associations, February 1980, page 8.

<sup>(3)</sup> The lists of graduate plans have been revised to exclude programs which have been withdrawn or postponed, are not new, or have been approved for funding purposes.

by OCGS. Council has also included estimates of each institution's proportion of provincial full-time equivalent (FTE) graduate enrolment and, based on these preliminary indicators of institutional strength, provides, in Appendix C, some observations on the provincial role of each institution in the various sectors at the doctoral level.

In the sections that follow the plans, Council addresses the problem of the direction for system rationalization and planning in the future. Because of the great differences that exist between the undergraduate and graduate areas, and in particular, the vastly different approaches that have been taken with respect to planning at each of these levels, Council deals with them separately. Each section begins with a short history of planning at the particular level and then addresses possible directions for rationalization and planning in the future.

# The Undergraduate and Graduate Plans of the Institutions

The Undergraduate Plans that follow have been taken from the institutions' 1980 briefs to Council. These plans were included in the briefs in response to Council's request for information about each institution's plans to introduce new undergraduate programs or make major shifts in emphasis in existing undergraduate programs within the next four to five years. Quotations that appear have been taken from those briefs. The stages

of planning are those that applied at the time the briefs were written.

The Graduate Plans are divided into two categories, where applicable: programs that appear in the five-year plans and other plans. The five-year plans are the universities' graduate plans for the first graduate planning quinquennium, 1979-80 to 1983-84. The other plans consist of graduate proposals which appeared in earlier university plans or submissions, but were not included in the five-year plans. These lists of graduate program proposals have been revised to exclude programs which have been withdrawn or postponed by the universities, were not new, or have been approved for funding purposes.

# **Brock University**

### **Undergraduate Plans**

"New programs under active consideration consist in the main of regroupings of existing courses and include the following:"

Canadian and European Community Studies Religious Studies Fine Arts Applied Human Biology

In addition, co-operative programs in Accounting, Urban Studies and Geography "have been developed".

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 1 — MA Classics MA French

Sector 3 — MA Geography MA Sociology

Sector 4 — MAdmin Administration MPE Physical Education

# **Carleton University**

### **Undergraduate Plans**

Several programs are "currently being considered for introduction in 1980-81":

School of Computer Science and an Honours program in Computer Science Operations Research

Law Enforcement Studies

Honours program in Film Studies

A major and an honours program in Law. "The new programs in Law would be multidisciplinary, and, like the existing combined programs in Law and another discipline, would emphasize the links between law and government, and the economy, and society generally. As such they would be fundamentally different from the programs in professional law schools, providing a focal point for a liberal education as well as a basis for certain law-related vocations."

The following programs "are at a preliminary stage of development":

International Relations Local Studies Building Science Energy and Environmental Studies

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 1 — PhD Canadian Literature

# **University of Guelph**

### **Undergraduate Plans**

Several "additions and changes to present programs are being implemented or investigated":

"A firm proposal for an extensive 'co-op' program involving the departments of Chemistry, Microbiology, Environmental Biology and Computing and Information Science is now at an advanced stage of planning..."

"...serious consideration is being given to incorporating an experiential component in the BSc. (Agr.) program."

"A new option within the B.A. program, 'Management Economics'..."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 2 - MA Theatre

Sector 5 - PhD Mathematics

Sector 8 — DVSc Veterinary Science

# Lakehead University

### **Undergraduate Plans**

"Serious consideration is being given to the expansion of our Native Teacher Education Program into a degree program."

"Lakehead University could serve a growing need in the forest industries by training Forest Engineers."

A Lakehead study revealed a need for a second school of Pharmacy in Ontario. Lakehead is considering the introduction of such a program.

Lakehead's "historical commitment to a number of diploma programs continues... The University has no intention of providing new diploma programs unrelated to our existing fields of study."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 4 — MBA Business Administration

MOR Outdoor Recreation

Sector 5 — MSc Computer Science

Sector 6 — MEng Engineering

Other plans:

Sector 5 — MSc Geology

# **Laurentian University**

### **Undergraduate Plans**

"Le Département de français will develop a special program for anglophones."

"A program in Public Administration, using existing resources, is...under active consideration."

"In the Science Faculty there will be a general extension of training in Computer science and statistics, while the Physics programme will show an accelerating shift to Applied Physics."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 4 — MBA Business Administration MEd Education

# **McMaster University**

### **Undergraduate Plans**

New programs proposed:

Multidisciplinary undergraduate degree program in arts and science.

BA program in Labour Studies "...intended to complement our existing Certificate program".

"...the University Senate gave approval in principle to...the offering of joint degree-diploma programmes with Mohawk College (of Applied Arts and Technology)." Two proposals were approved: Broadcast Journalism and Commerce. A "proposal for a joint programme in occupational and physical therapy will soon be considered by Senate".

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 2 — MA Music

MA Visual Arts

Sector 4 - PhD Business

MA/PhD Regional Science and Policy Analysis

Interdisciplinary — MSc Health and Radiation Physics
MA Mathematics and Philosophy

Other plans:

Sector 4 — MA(T)/MSc(T) Teaching

# **University of Ottawa**

### **Undergraduate Plans**

Because of the timing of their own insitutional planning exercise, Ottawa's response to the request for undergraduate plans was of a "preliminary nature".

A new five-year program in Engineering Management will begin in the fall of 1980.

The departments of Computer Science and Electrical Engineering "will very likely be introducing a joint program in" Computer Engineering.

"The faculty (of Science and Engineering) is actively studying the possibility of establishing selective cooperative programs in some of its eleven departments. These programs will be more along the lines of those offered at the University of Victoria, rather than of those at the University of Waterloo."

"Commencing in 1981, the Faculty of Administration will be offering a generic program in" Administrative Studies.

At the time the brief was written, bilingual programs in Physiotherapy and Occupational Therapy were awaiting University Senate approval.

Ottawa is considering bilingual programs in Dentistry and Pharmacy.

"The faculty (of Health Sciences) has also received Senate approval to offer an undergraduate BSc program in" Medical Sciences.

"The Faculty of Social Sciences envisages the introduction of two new certificate programs" — Criminology and Recreology.

Ottawa has "decided to establish" a certificate program in Writing Skills (this is related to Translation).

"The Faculty of Arts is reviewing the requirements of the general B.A. degree in order to increase the Canadian content of the B.A. program."

The Faculty of Science and Engineering is planning two major shifts in emphasis. "First, ...we would very much want to achieve more of a balance in the provision of instruction in French in some departments. Second, ...the following areas will be emphasized in the next five years:" Engineering, Computer Science, Engineering Management and the Life Sciences (Biochemistry, Biology, Nutrition and Food Sciences).

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 1 — PhD Linguistics

MA Pastoral Studies

MA Religious Education

MA Spanish
MA Translation

Sector 2 -- MMus Music

Sector 4 — PhD Business

MAT Education

MSS Leisure Studies

Sector 5 — MSc Computer Science

Sector 6 — PhD Mechanical Engineering

MEng Engineering Management

# Queen's University

### **Undergraduate Plans**

Queen's has "no plans to introduce new undergraduate or first professional degree programs within the next four to five years". Queen's does, "however, foresee some changes in emphasis as follows:"

Arts and Science — "It is possible that course offerings leading to increased specialization in statistics will be developed..."

School of Business — "In the future, there may be increased emphasis on computing and information science."  $\ensuremath{\mathsf{E}}$ 

Education — The Faculty of Education "intends to place increased emphasis on its two existing concurrent programs at Queen's and Trent. It is also enlarging the range of offerings in continuing education for teachers who have completed their B.Ed. program and are working in the school system".

Law — "The Faculty plans to place increased emphasis on clinical courses to complement its traditional teaching methods."

### Graduate Plans

Programs that appear in the five-year plan:

Sector 1 — MTh/MTS Theology

Sector 2 — MA Visual Arts

MA Industrial Relations Sector 4 —

Other plans:

Sector 4 - PhD Business

# University of Toronto

### Undergraduate Plans

At present, Toronto has no plans "for introducing new undergraduate programs or for making significant changes in emphasis of existing programs".

### Graduate Plans

Programs that appear in the five-year plan:

Sector 2 — MA Film

Sector 3 — MA Anthropology

PhD Criminology

Sector 4 — MAS Archival Science

MA Education (offered through the Faculty of Education of the

University of Toronto) MLA Landscape Architecture

MPP Public Policy PhD Social Work

Sector 6 — MASc Engineering

Sector 7 — MHSc Clinical Biochemistry

Sector 8 — MSc/PhD Interdisciplinary Toxicology

Interdisciplinary - MA/PhD East Asian Area Studies MA Russian and East European Studies

Other plans:

Sector 8 — MHSc Speech Pathology MHSc Clinical Biomedical Engineering

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# **Trent University**

### **Undergraduate Plans**

"...Trent's plans for the immediate future are limited to consolidating and developing the newer programs and departments: Administrative and Policy Studies, Canadian Studies, Comparative Development Studies, Cultural Studies, and Environmental and Resource Studies...These plans would involve developing aspects of the programs central to their conception which have not yet fully matured; e.g. a policy emphasis in Administrative and Policy Studies, the use of traditional native teachers in the Native Studies program (which is also important to policy studies), and policy aspects of the Environmental and Resource Studies Program...This means that Trent does not intend to develop new programs or departments in the next few years..."

### **Graduate Plans**

Trent is not planning any graduate programs for the first quinquennium.

# **University of Waterloo**

### **Undergraduate Plans**

A proposal "to establish an undergraduate program which would allow students in a wide variety of academic programs to study the field of risk insurance" has been accepted by the Canadian Life Insurance Association.

"A selection of existing undergraduate courses has been identified to form the basis of a program in Management Studies. The courses will provide a minor area of study for students majoring in a variety of disciplines including English, Economics, Physics, Mathematics, Recreation, Geography, and Planning or a "shared major" area of study or a group of elective courses".

Waterloo is "investigating the establishment of undergraduate studies in Personnel and Administrative Studies".

"A program of study leading to a diploma in Occupational Health is being developed at the request of the Occupational Health Nurses Association of Ontario. The program, mostly in the audio-taped correspondence format, will consist mainly of courses already offered at Waterloo for various other degree programs."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 5 — MMath Actuarial Science

Sector 8 — PhD Health Behaviour PhD Physiological Optics

# University of Western Ontario

### **Jndergraduate Plans**

The following programs have been "approved for the fall of 1980":

New work/study program in Financial Services New Commercial Studies program Honours Geography program in urban development

"Other programs with similar structures might be constructed around the pursuit of careers in finance, personal management, the foreign service, etc."

### Graduate Plans

Programs that appear in the five-year plan:

Sector 2 — PhD Music (two programs)

MA Visual Arts

Sector 4 - LLM Law

Sector 8 — PhD Communicative Disorders

MCISc Occupational Therapy

MCID Paedodontics MCISc Physical Therapy

Other plans:

Sector 3 — MA Anthropology

PhD Sociology

# Wilfrid Laurier University

### Undergraduate Plans

In 1980, Wilfrid Laurier is "commencing a new honours program in computing and computer electronics, utilizing more fully the research and teaching interests of the Physics Department and combining programming and technology into one specialized field".

Wilfrid Laurier "hopes to introduce new Arts programs, such as a four year Arts core program in liberal Arts, as well as an applied core option".

At present, Wilfrid Laurier does "not intend to commence any further cooperative programs". They are, "however, planning to introduce internship programs which will provide students with study-related summer employment". Wilfrid Laurier is also reserving "the right to initiate formal cooperative programs in the event circumstances require it".

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 4 - DSW Social Work

# **University of Windsor**

### **Undergraduate Plans**

"Very few 'new' programs are envisaged, but rather, current courses and programs will be restructured.

The Faculty of Arts is developing a new program in Canadian-American Studies, a Bachelor of Fine Arts in Design, a combined Bachelor's degree in Drama and Education, and another in Music and Religious Studies. It is also extending its 'Education through Music' enterprise.

Within the Faculty of Social Science, the Economics Department is investigating new interdisciplinary combinations involving Business and Law. The Department of History intends to increase its emphasis on Canadian and local history, including historical preservation, museum administration and archival methods. The School of Social Work is considering a new emphasis on community service to groups, as a complement to existing concentration on the social service to individuals. The Geography Department is introducing a cooperative Work Study program and new degree programs in resource management and climatology.

Within the Faculty of Science and Mathematics, new program combinations such as Geology and Computer Science, and Mathematics and Business are being

considered.

The Faculty of Business Administration is studying the restructuring of its unique three-semester B. Comm. program for graduates in a discipline other than Business Administration. The objective is to achieve a better interface with the M.B.A. program and to reduce the services required.

The Faculty of Law and the Faculty of Business Administration are discussing a

possible joint LL.B. — M.B.A. program.

The Faculty of Engineering will collaborate with Nursing, Biology and Chemistry in studying the demand for, and the feasibility of, providing a program in Occupational

Safety and Industrial Toxicology.

The Faculty of Human Kinetics, consistent with its recent change in emphasis away from teacher training in Physical Education, is studying a job-experience co-operative program in Applied Kinesiology, a Medical Kinesiology stream in co-operation with St. Clair College (of Applied Arts and Technology), and a concentration on sports medicine with unique emphasis on co-operative work experience of fitness in the industrial setting."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 2 — MFA Theatre MFA Visual Arts

Sector 4 — LLM Law

EdD Education

PhD Physical Education

Sector 5 — MSc Computer Science

PhD Geology

# York University

### **Undergraduate Plans**

"York anticipates a continuation of its historical concern to offer new undergraduate programmes as need arises, particularly in the areas of strength (indicated in the brief). It would be premature to provide a comprehensive list of all the new programmes we have in mind, partly because the feasibility of a number of them is just now being examined. We can say, however, that York is giving special attention to the development of language and translation programs...We should mention also that among our projected offerings with a serious chance of formal approval are programmes in mass communications, clinical rehabilitation, religious studies, and the problem of violence."

### **Graduate Plans**

Programs that appear in the five-year plan:

Sector 2 - MA Visual Arts

Sector 3 — DPsych Psychology

Sector 4 — MA Communication Studies

MEd Education MSW Social Work

Other plans:

Sector 2 - MFA Music

Sector 3 - PhD Economics

Sector 4 — PhD Business

# **Undergraduate Program Planning** and Cooperation

There has been little cooperation in undergraduate program planning and development in the Ontario university system. At present, any new undergraduate program that is implemented by a university automatically becomes eligible for funding. The only clear exception to this is in the professional disciplines where all new programs must be approved by the Minister for funding purposes. Otherwise, each university is free to plan its undergraduate offerings without consulting either individual institutions or COU. It has been assumed that this autonomous approach to undergraduate planning, with the universities responding to provincial educational demands and needs, would result in a satisfactory mix of program offerings.

It has become increasingly clear to Council, however, that this autonomous approach to undergraduate planning is no longer appropriate from a provincial perspective. Program proliferation, when combined with financial restraint and enrolment decline, will lead to the spreading of resources too thinly and the dilution of strengths. In order to avoid these problems, some degree of cooperation at the undergraduate level is essential and some degree of coordination may be necessary.

The recognition of the need for increased cooperation at the undergraduate level is not new. As pointed out by the COU Committee on Long-Range Planning in its report, Challenge of Substance:

In 1976, COU approved the report of a Special Committee to Assess University Policies and Plans. The report included, *inter alia* these recommendations:

### Recommendation 1:

- a) the government, OCUA, and the universities commit themselves to a realistic and frank dialogue on university goals and objectives;
- each university, where it has not already done so, prepare a statement of objectives for the remainder of the seventies;
- OCUA, with the assistance of COU, review these statements from the point of view of the overall provision of university resources in the Province of Ontario, and advise the government thereon;
- d) the government publicly react to the report from OCUA.

### Recommendation 9:

COU and the universities should commit themselves to continuing and expanding their efforts in planning and coordination and should receive financial support from government to assist these efforts.<sup>1</sup>

Unfortunately, even though COU approved these recommendations, no steps have as yet been taken to implement them.

Council's own concerns about the undergraduate area were heightened when it reviewed the undergraduate plans and discussed them with representatives of the

Challenge of Substance, Committee on Long-Range Planning of the Council of Ontario Universities. March 1980, page 33.

universities during the 1980 Spring hearings. This increased concern was caused by both the extent and types of programs being planned by the institutions. Some proposals appear to duplicate other planned or existing programs. In particular, some proposals appear to duplicate offerings in areas of strength at neighbouring institutions. For example, Wilfrid Laurier University is planning a program in Computing and Computer Electronics even though the neighbouring University of Waterloo has considerable strength in Computer Science. Also, York University is planning a program in Religious Studies even though the University of Toronto has strength in Religion and Theology. Many institutions are initiating more Business and related programs. In addition, several institutions are planning new "co-operative" work/study programs, emulating the programs developed at the University of Waterloo. While some development of Business and co-operative programs may be a legitimate response to demands placed upon the system, Council is concerned about the extent to which the plans may represent an unnecessary degree of duplication. At the very least, the plans indicate a lack of consultation and cooperation in the area of program planning at the undergraduate level.

Such observations about the present plans lead Council to wonder whether, if some sort of coordinating mechanism had been introduced into undergraduate planning several years ago, the existing configuration of program offerings would have resulted. Council's concerns are borne out by the report of the COU Committee on Long-Range Planning.

In its report, the COU Committee questions whether the existing complement of programs best serves Ontario. A possibly telling example is found in the field of

Languages:

...the tendency to uniformity exists here as elsewhere, so that (for example) one finds about 270 courses in Spanish language and Literature listed in the calendars, and almost another 100 in Spanish American, while in contrast, with the exception of about a dozen courses in Finnish at Lakehead and Laurentian, there appears not to be a single course in the language, literature, and culture of Scandinavia...One must ask whether the cause of diversity or of public need is best served in such circumstances.<sup>1</sup>

The report also refers to other examples of program duplication:

Did the introduction of three new programs in Drama in the years 1975 and 1976 serve the end of diversity, considering the number of programmes already existing? Was the introduction of programmes in African Studies at York and Toronto — essentially although not officially about the same time — the product of a shared understanding of the need for such studies and the reasoned, explicit coordination of the resources of the two institutions? Was Waterloo's introduction of a B.A. Honours in Music when Wilfrid Laurier's degree programs in Music were long-established decided on with the system in mind?<sup>2</sup>

It is clear from the undergraduate plans of the individual institutions and from the report of the COU Committee on Long-Range Planning that the universities have not in the past engaged in any system-wide consultation or cooperation in undergraduate programming. It is Council's opinion that it is not appropriate from a system viewpoint that the institutions continue to plan in isolation from one another, especially in a context of financial restraint and enrolment decline. In order to protect high quality

<sup>(1)</sup> Ibid., pages 21-22

<sup>2)</sup> Ibid., page 23.

programs and to ensure that resources will be available to introduce new programs that are needed, the institutions must begin to plan cooperatively. Council is not alone in this view. In its report, the COU Committee on Long-Range Planning stated its belief:

...that in the interest of effectiveness, quality, and economy in undergraduate education, a far greater amount of discussion and planning should go on between and among universities, with the needs of the system and the province in mind.1

In order to proceed with any consultative or cooperative process at the undergraduate level, it is necessary to establish a basis upon which to assess program offerings. It is Council's opinion that the following four points, which were set out in the COU Committee's report, and which were considered by the Committee to be axiomatic, provide such a foundation:

- that within any university the offering of a considerable range of courses and programmes in a variety of basic areas of study is essential to the carrying on of undergraduate work;
- that a rich diversity of specialist programmes within the system is desirable in order that the wide variety of students' academic needs may be met;
- that it is in the interest of diversity and quality that each university should have some areas of particular academic strength that impinge directly on undergraduate programmes;
- d) that it is not necessary that the same areas of specialization exist in every university.<sup>2</sup>

Given these guidelines, the question of the nature of the cooperative effort that is most appropriate and desirable can be addressed. In this connection, Council refers to the following two major recommendations contained in the report of the Committee on Long-Range Planning:

- That each Ontario university immediately advise all other universities in the Province of all proposals for new undergraduate programmes now under active consideration at any level of decision-making; and hereafter of any new proposal for an undergraduate programme when it comes under active consideration. We suggest that the COU secretariat serve as a clearinghouse for this purpose.
- 2. That COU establish a standing policy committee on undergraduate programmes. We recognize that it would be unacceptable to give such a body authority. We propose for it such functions as these: the study of the changing needs of the system and the best means of achieving appropriate responses to those needs; the identification of new areas of concern and the encouragement of orderly programme development in relation to them; the facilitation and encouragement of discussion among universities of undergraduate programmes and policies, from the point of view of the system. The Committee should meet regularly and report to COU at least once a year. COU may perhaps wish the Long-Range Planning Committee to have the functions described here.<sup>3</sup>

<sup>(1)</sup> Ibid., page 32.

Ibid., pages 18-19

<sup>(3)</sup> Ibid., pages 35-36

With respect to the Arts and Science "core" of undergraduate offerings, it is Council's opinion that these recommendations are, at this juncture, sufficient. It is preferable to preserve as much autonomy as possible in the development of "core" Arts and Science programs. The implementation of the Committee's recommendations at this level would facilitate the exchange of information among institutions. This interchange of ideas could foster diversity and innovation, prevent unnecessary duplication and identify areas in which there is a recognized need for new programs.

With respect to professional programs, Council believes that this exchange of information is desirable but clearly not sufficient. At present, any proposed professional program must be forwarded to Council for consideration and approved by the Minister for funding. In these cases, Council has in the past sought the advice of COU before making its recommendations. Council believes that COU has an important role in this decision-making process and will continue to seek COU's advice on these matters. However, because professional programs require substantial resources and are specifically related to the need for services in the province, Council anticipates that the funding of professional programs will continue to require ministerial approval.

There remains a third category of undergraduate programs which consists of programs which are neither "core" Arts and Science subjects nor strictly professional disciplines. Council here refers to these programs as "special" and "quasiprofessional" programs. As an example of a "special" program, Council cites African Studies — clearly, there is not sufficient need for every university in Ontario to develop the expertise and resources to offer programs in this area. A mechanism is needed to determine where such programs of limited demand should be offered. In the "quasiprofessional" area, Council would include programs, such as Physical Education, which neither lead to a professional degree in the usually accepted sense nor form part of an institution's Arts and Science offerings. In addition, Council would include in this category programs in subjects, such as Human Biology and Accounting, which may have traditionally been offered in Arts and Science faculties, but have the potential to develop into professional programs. Council is aware that many such programs have developed, and may continue to develop, to the point where for all practical purposes they are recognized professional programs. Since professional programs are subject to ministerial approval for funding purposes, Arts and Science subjects which could develop into professional programs must be given closer scrutiny than those in the "core" Arts and Science programs.

COU should monitor the development of these "special" and "quasi-professional" subject areas with the intention of avoiding unnecessary duplication and of identifying the *de facto* development of professional schools which should be referred to Council. Some coordination is necessary here and Council would prefer that COU assume this coordinating authority. If COU does not do so, it may be necessary for the Minister to require that all "special" and "quasi-professional" programs be submitted for funding

approval.

In all of the above, Council has attempted to assess the undergraduate enterprise in Ontario, keeping in mind the constraints that exist. Given these constraints, Council believes that there is no alternative but to have the universities work together as a system. Council would clearly prefer to see the undergraduate enterprise develop as a self-regulating one through COU, and the approach outlined in the preceding pages reflects this view. Council recognizes the difficulty of a voluntary association of universities assuming the authority for program planning. However, time is short and unless there is clear evidence that COU is willing and able to accept this responsibility, the authority will have to reside elsewhere.

# **Graduate Program Planning**

Perhaps the best place from which to begin any discussion of graduate program planning in Ontario is with the quotation that appears near the beginning of the recent Discussion Paper prepared by COU's Special Committee to Review Graduate Planning. The quotation is taken from an address, published in 1968, by the then Principal of Queen's University and Chairman of the Committee of Presidents, Dr. J.A. Corry:

We have known for some time that the days of laissez-faire in university education in Ontario are over....

The urgent reasons for cooperation in the field of graduate studies are not far to seek. An obvious one is that if the universities don't get together and do the job themselves the Government will step in and do it for them. The Minister of University Affairs alluded to this possibility in his Frank Gerstein lecture in February 1966, when he said that if the universities of Ontario failed to meet the responsibilities of the times, and "if costly duplication of effort is evident, I cannot imagine that any society, especially one bearing large expense for higher education, will want to stand idly by. For there will be inevitably a demand—there have been indications of this in other jurisdictions—that governments move in and take over." I do not regard this statement as a threat to university autonomy. Rather, I take it as an expression of the inevitable consequence of our failure to order our affairs in a reasonable way....

The financial constraints now facing the universities of Ontario push us strongly to cooperation in the expensive area of graduate studies. These constraints may not be unrelated to an impression in government circles that we have not done enough to put our houses in order. Anyway, there is growing evidence that the Government of Ontario, even with goodwill towards the university and an announced intention to give the highest priority to education, is not going to find it politically feasible to give the universities all the money they consider necessary for their development as institutions which are to be at once first class, and equipped to do all that is attractive to them and worthwhile doing for its own sake .... To be blunt about it, the universities, taken individually, will never have enough for all good purposes and so will be operating in conditions of scarcity. We must, therefore, accept the hard consequences of scarcity, submit to the dictates of the "dismal science," and learn how to make the maximum use of our scarce resources.

As I have just said, I do not think the universities of Ontario will have the means to continue developing as first class institutions while at the same time pursuing a policy of self-sufficiency in which each counts on doing all that is attractive and well worth doing. So we face a choice. We can spread our scarce resources thinly in an effort at complete institutional independence of action while we sink down to second or third class status; or, on the other hand, we can aim at maintaining quality at the sacrifice of part of our self-sufficiency and some of our ambitions. Surely we must choose the latter course

because no university worthy of the name would choose with its eyes open to be less than first class in what it offers. I do not think this latter alternative is as harsh as we fear. In Ontario, it is still open to each of us, in giving up some of our individual independence of action to surrender it to the university system consisting of, and guided by, the universities themselves. It is greatly to the credit of the Government of Ontario that this is the course it would prefer to take.<sup>1</sup>

The Special Committee states that the quotation was included in its paper "...not only because it so effectively expresses the concerns which gave graduate planning in Ontario an impetus, but also becuase his remarks seem still remarkably appropriate today."<sup>2</sup>

Many of the concerns expressed above are shared by Council. Indeed, they are the concerns which have guided, and continue to guide, Council in its approach to graduate program planning. In Advisory Memorandum 77-VII, Council set forth the following objectives for the first graduate planning quinquennium, 1979-80 to 1983-84:

- 1. Recognition and protection of outstanding doctoral programs;
- 2. Support of good quality graduate programs;
- 3. Elimination of graduate programs of unsatisfactory quality;
- 4. Prevention of further duplication of graduate programs;
- 5. Recognition of high quality graduate programs in new fields of study for which there is a genuine need;
- 6. Maintenance of a satisfactory amount of scholarship and research activity in the university system.<sup>3</sup>

Council doubts that there is any serious quarrel today with these specific objectives. However, although some progress has been made toward these objectives, the mechanism for achieving them remains a subject for discussion.

In Advisory Memorandum 77-VII, Council stressed the need for system rationalization and institutional role differentiation. In Council's opinion, the place to begin system rationalization was with new programs recommended for funding approval. While Council recognized that the elimination of unnecessary duplication among existing programs was important, it saw this as a longer-term goal and suggested that this might even become an explicitly stated goal of the second quinquennium.

Council established four funding criteria to assist the universities, COU and Council in assessing new program proposals on the basis of uniqueness, quality and

need in a context of financial restraint. The four criteria are:

 Evidence of need in Ontario and Canada to be provided by the Advisory Committee on Academic Planning and endorsed by the Ontario Universities,

Discussion Paper, Special Committee to Review Graduate Planning of the Council of Ontario Universities, June 1980, pages 2-3.

<sup>2)</sup> Ibid., page 3.

<sup>3)</sup> Fourth Annual Report 1977-78, Ontario Council on University Affairs, page 55.

- 2. Certification from the Advisory Committee on Academic Planning through the Council of Ontario Universities that no similar program in the field(s) proposed is available in Ontario. (In exceptional circumstances Council may be willing to entertain a recommendation from ACAP through COU for funding a master's program where there is a similar program in Ontario but where there is also strong evidence of regional importance and student demand).
- 3. Certification from the Advisory Committee on Academic Planning, through the Council of Ontario Universities that the proposed program has passed a rigorous appraisal and at the time of appraisal was not found to require improvements,
- 4. Certification from the institution that admissions to the program commenced prior to its being propsed for funding consideration.<sup>1</sup>

In the memorandum, Council went on to state that satisfaction of the four funding criteria would not necessarily guarantee a favourable funding recommendation and that "...Council's own task in the funding approval process would include the balancing of fiscal realities and new initiatives' ".2"

In 1979, Council received from COU the first set of graduate programs to be assessed according to the new criteria. It became clear at that time that some clarification of the criteria was necessary. On October 30, 1979, the Chairman of Council wrote to COU on behalf of the Graduate Committee clarifying the funding criteria and expanding upon Council's statement about the "balancing of fiscal realities and new initiatives":

Council is expressing the hope that you will understand that, in this period of fiscal constraint, it must seriously consider each new graduate program in light of the above statement. COU's assistance will be invaluable in carrying out this important task. In particular, Council needs assurance from COU that, from the viewpoint of 'a system on the brink', the program should be offered and funded despite financial constraint. In this connection, and consistent with the goal of system rationalization, Council would like to be assured by COU that the particular institution could best offer the program and that the program is consistent with the aims, objectives and existing strengths of the institution.<sup>3</sup>

There was much concern expressed within the university community over the October 30 letter. In particular, many felt that, by making the above statement, Council was introducing a "fifth criterion". This is clearly not the case, for in Advisory Memorandum 77-VII Council made the following statement:

The new era of straitened resources and declining graduate enrolments and the accompanying need for system-wide consolidation should encourage institutions to identify and give priority to the areas of graduate endeavous in which strength exists and which are key to the planned institutional identity.

<sup>(1)</sup> Ibid., pages 59-60.

<sup>(2)</sup> Ibid., page 59.

<sup>(3)</sup> This letter is reproduced as Appendix D

The success of the graduate planning enterprise during the first quinquennium will be primarily dependent upon the pursuit of excellence by institutions in their areas of strength, and, of system rationalization by the university collectively on the basis of quality and need.

With this clarification of the criteria, COU resubmitted a set of programs for funding consideration. In the new submission, COU expressed its concern that it was premature for it to address the question of the appropriateness of each program at the particular institution.

In responding to this concern, Council, in Advisory Memorandum 79-VII, stated that it understood the COU position in view of the fact that institutional role differentiation was to be a major topic at the 1980 Spring hearings and therefore accepted the statements provided by the institutions. Later in the memorandum, however. Council stated that:

In future, Council...expects that each graduate program funding proposal forwarded to Council will include COU's assurance that the program should be funded despite restraint and also that the program is consistent with the aims, objectives and existing strengths of the particular institution.<sup>2</sup>

Recently, COU made the point to Council that it would be useful for the universities to have some comments from Council about program proposals when they first appear in the universities' plans. It was felt that this approach might aid the institutions in their planning to the extent that they could avoid committing resources to a program which had little likelihood of receiving funding approval. Council responded to this request in a letter to COU in February of this year. For information, the letter has been reprinted as Appendix E and should be viewed in conjunction with the graduate plans of the individual institutions.

Council cannot over-emphasize the need for system rationalization and institutional role differentiation in the graduate enterprise. While university autonomy is desirable, there remains no option but for the universities to work together to preserve the high quality system that has developed in Ontario, especially given the constraints facing that system. Unnecessary duplication of graduate programs must be prevented and eliminated in order to protect existing strong programs and to ensure that opportunities exist for innovation. In addition, the universities must plan their graduate programs in relation to their strengths.

If institutional role differentiation is to be achieved in the graduate sector, there must be some central authority to coordinate the process. It is unrealistic to assume that the universities acting independently will be able to achieve effective coordination by themselves. At present, final authority with respect to the funding of new graduate programs rests with the Minister. It is the Minister's goal, however, that full responsibility for the planning of the graduate enterprise eventually be returned to the system itself, once effective procedures for the assessment of programs are in place. This goal was stated by the Minister in her letter to the Chairman of Council, dated March 5, 1980, when she indicated her wish "that the appraisal/assessment system…be used to replace direct government and OCUA involvement in planning and approving the funding of graduate programs".

<sup>1)</sup> Ontario Council on University Affairs, Fourth Annual Report, page 57.

<sup>2)</sup> Sixth Annual Report 1979-80, Ontario Council on University Affairs, page 83.

The COU Special Committee to Review Graduate Planning, in its Discussion Paper, suggests that the central issue relating to the future development of the graduate planning process is:

...whether the universities collectively can retain a significant degree of control over the graduate planning process, either under the present procedures, or through the development of new structures or procedures, or whether (the universities) are prepared to see either the OCUA or the Ministry assume this function directly.<sup>1</sup>

In considering this question, the Special Committee provides examples of alternative models and options for discussion purposes. While some of the models present variations on "the present distribution of responsibility and authority between COU and its agencies...and OCUA/government"<sup>2</sup>, others involve fundamentally different divisions of responsibility.

In Council's opinion, it is clearly preferable that COU perform the central coordinating and planning functions within the system. It may result, however, that the very nature of COU as a voluntary association precludes it from being able to carry out this task. Council would not necessarily take this to mean that Council itself or even the Ministry should then be given the responsibility of coordinating graduate planning. It may well be that some other agency should be created within the system to perform this role.

The Special Committee's "Independent Authority Model", for example, postulates the creation, by COU, of a "Committee on Graduate Planning and Appraisal".<sup>3</sup> This body would have the final authority for making funding recommendations to Council regarding new programs based on current criteria and on the continuation of funding for existing programs. In addition, the committee would have final responsibility for appraisals and for planning and could be given a mandate to identify areas where new graduate programs needed to be developed. COU and OCGS "could have the right to comment on the (Committee's) recommendations, but would have no opportunity to change them".<sup>4</sup>

If it became clear that even the type of COU committee described above could not effectively rationalize the system from within, then, in Council's view, no option would remain but to give full responsibility for graduate planning to a body appointed by Government.

Council is aware that system rationalization must deal with existing programs as well as the development of new ones. With respect to the existing enterprise, Council cannot over-emphasize the need for very strict quality appraisals within the assessment procedures. If the programs in a discipline are not rigorously appraised, the effectivenesss of the appraisal/assessment process must be questioned. Further, when a program is identified as being less than very good, the institution or COU must be able and willing to make decisions about the future of the program.

Depending upon the need for the program and the strength of the institution in that area, a range of options exists. Program closure is one solution. Mandatory strengthening of the program by the individual institution is another. Program merger is a further option. The Guelph-Waterloo Centre for Graduate Work in Chemistry is an excellent example of the potential success of program merger. While the merging of programs at neighbouring institutions may not result in any financial saving, the resulting improvement in quality can be substantial.

<sup>(1)</sup> COU Special Committee, Discussion Paper, page 71.

<sup>(2)</sup> Ibid., page 78.

<sup>(3)</sup> Ibid., page 78.

<sup>(4)</sup> Ibid., page 79

Council realizes that the decision to dismantle a program, or combine one with another, can be a difficult and, moreover, costly task that an institution would be reluctant to undertake. In this connection, Council would be prepared to discuss with either the institutions or with COU the possibility of introducing a scheme of rationalization grants. For example, if an institution wanted to dismantle a graduate program that was clearly not in an area of strength, Council might recommend that the institution receive a grant to defray the costs associated with such an endeavour. Similarly, Council might recommend grants for institutions to help defray the initial cost of merging graduate programs. While such grants would be taken from the global funding available to the system and would, therefore, represent a short-term cost to the system, they would clearly be worthwhile in the long run and would serve the goals of system-wide consolidation and rationalization.

In all of the above, Council has emphasized the need for institutional role differentiation. To date, however, institutional role identification appears to be a problem with which both COU and the universities are experiencing difficulties. Council recognizes that this task is not an easy one and wishes to assist the universities and COU as much as possible in this regard. While some progress was made during the 1980 Spring hearings, much remains to be done; institutional role differentiation is an

evolving process.

Some universities view role differentiation as a threat to their autonomy. Council must point out that this need not be the case. In fact, the institutions are already differentiated to a very great extent. What is necessary now is that each institution recognize its own role, as well as the roles of the others, and develop as a system, with each university channelling its initiatives in accordance with its role.

In order to assist the universities in this process of identification and recognition, Council has developed some preliminary indicators of institutional strengths. Figure 1, based on the information set forth in Appendix C, shows, for 1979-80, the distribution among universities of doctoral enrolment by sector. The following three categories are used:

- 1. If an institution has at least 7.5% of system FTE doctoral enrolment in a sector, Council takes this to indicate that the institution has a major involvement in that sector at the doctoral level and, therefore, that significant provincial resources are being devoted to that sector by that particular institution.
- 2. If an institution has less than 7.5% of system FTE doctoral enrolment in a sector, Council uses this to indicate that the institution has a rather more limited involvement in that sector. Although enrolment across the whole sector may be limited, that institution may have strengths within one or more disciplines within the sector.
- 3. If an institution does not offer any doctoral programs within a sector, it is considered to have no involvement in the sector.

	The second secon	Institutional Doctoral Enrolment by Sector	Doctoral E	Inrolment b	y Sector			
Institution	Humanities	Fine and Applied Arts	Social	Applied Social Sciences	Physical Sciences	Applied Physical Sciences	Life Sciences	Me Sc
Carleton	×		×		×	×	×	
Guelph	×		×		×	×	×	
McMaster	×		×		×	×	×	
Ottawa	×		×	×	×	×	×	
Queen's	×		×		×	×	×	
Toronto	×	×	×	×	×	×	×	
Waterloo	×		×	×	×	×	×	
Western Ontario	×		×	×	×	×	×	
Windsor			×		×	×	×	
rork	×		×	×	×		×	
% (or more) of system enrolment- XX		Less than 7.5% of system enrolment- X	7.5% of sys	tem enrolm		Vo programs	No programs in that sector-	7

Medical & Applied Life Sciences

×

×

×

×

7.5%

Figure 1

### Sector 6 — Applied Physical Sciences

Civil Engineering: Electrical Engineering: Systems Engineering: Mechanical Engineering: Materials Engineering: Aeronautical Engineering:	MEng MEng MEng MEng MEng MEng	25FT, 24FT, 22FT, 11FT, 2FT, 5FT,	20PT; 12PT; 51PT; 10PT; 2PT 2PT;		9FT, 8FT, 12FT, 4FT,	2PT 5PT 8PT 4PT 1PT
Total:	М	89FT,	97PT;	D	33FT,	20PT
Sector 7 — Life Sciences						

Biology:	MSc	26FT,	10PT;	PhD	17FT,	1PT

Carleton's graduate enrolment accounts for 7.8% of system FTE master's enrolment, 4.3% of system FTE doctoral enrolment and 6.7% of total system FTE graduate enrolment. The doctoral enrolment also accounts for the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 0.9%, Sector 3 — 3.2%, Sector 5 - 5.7%, Sector 6 - 8.9% and Sector 7 - 4.0%. Carleton does not offer doctoral programs in Sectors 2,4 and 8. Based on the data, Carleton has limited nvolvement in Sectors 1, 5 and 7 and major involvement in Sectors 3 and 6 at the doctoral level.

# **University of Guelph**

### Sector 1 — Humanities

English: History:¹ Philosophy:		MA MA	9FT, 7FT, 8FT,	,		6FT, 11FT,	
	Total:	М	24FT,	12PT;	D	17FT,	3PT
Sector 3 — Social Scien	ces						
Economics: Agricultural Economics: Geography: Agrometeorology: Political Studies: Psychology: Sociology:		MA MA MA MA MA MA	8FT, 4FT, 5FT,	7PT; 3PT	PhD PhD	,	1PT 2PT

81FT. 23PT: D 10FT. 3PT

Total: M

Includes Scottish Studies.

Estimate — half of Guelph—McMaster joint doctoral program enrolment.

Sector 4 —	Applied	Social	Sciences
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	Extension Education: Human Kinetics: Landscape Architecture:		MSc MSc MLA	12FT, 4FT, 28FT,	13PT 2PT 2PT					
		Total:	M	44FT,	17PT					
Sector 5 — Physical Sciences										
	Chemistry: <sup>1</sup> Soil Science: Geomorphology: Math + Stats:		MSc MSc MSc MSc	21FT, 12FT, 8FT, 9FT,	5PT; 3PT; 1PT 2PT	PhD PhD	20FT, 1FT,	1PT -PT		
	Physics:		MSc	2FT,	-PT;	PhD	6FT,	-PT		
		Total:	М	52FT,	11PT;	D	27FT,	1PT		
Sector 6 — Applied Physical Sciences										
	Engineering: Resources Development:		MSc MA/MSc	6FT, 12FT,	3PT; 7PT	PhD	1FT,	-PT		
		Total:	М	18FT,	10PT;	D	1FT,	-PT		
	Sector 7 — Life Sciences	5								
	Environmental Biology: Biophysics: Botany + Genetics: Microbiology: Vet. Micro. + Immun.: Zoology:		MSc MSc MSc MSc MSc MSc	38FT, 2FT, 10FT, 12FT, 14FT, 40FT,	8PT; 1PT; -PT; 2PT; -PT; 4PT;	PhD PhD PhD PhD PhD PhD	14FT, 5FT, 4FT, 2FT, 9FT, 28FT,	-PT -PT 1PT -PT, 1PT 1PT		
		Total:	M	116FT,	15PT;	D	62FT,	3PT		
	Graduate Diploma — Veterinary Microbiolog & Immunology:	У		4FT,	-PT					

<sup>(1)</sup> Estimated — half to Guelph—Waterloo, joint doctoral program enrolment.

Council recognizes that enrolment is but one indicator of institutional strength, but considers it to be a useful first step. Council is interested in discussing with COU the development of other indicators. Further, while some problems may exist with the sector approach to role identification, Council nonetheless believes that it has merit and looks forward to discussing it with the universities and with COU.

The sector approach could do more than provide a method by which the universities can classify their programs and strengths. It could also be significant in the planning and funding of new graduate programs. As mentioned earlier, the objectives and criteria for the first guinquennium are set and Council is not prepared to alter them at this time. It is perhaps not premature, however, to begin discussing the ground rules for the second quinquennium. The very nature of graduate planning in the second quinquennium will depend on the extent to which institutional role differentiation can be achieved in the present quinquennium. If role differentiation, based on a sector approach, takes shape in this quinquennium, then it is quite possible that the objectives and funding criteria for the second quinquennium could be based on this approach as well.

Council can envision a situation where a different set of criteria would apply to different program areas for each institution. For example, for sectors in which an institution is considered to have a major involvement, new programs would need only a quality appraisal in order to receive a funding recommendation. For sectors in which an institution does not now offer any programs, Council would expect that the institution would not propose the introduction of any programs.

The funding criteria for sectors in which an institution could be said to have limited involvement would be rather more difficult to establish. In general, Council would expect that any new program would be subject to funding criteria similar to those that now exist for new programs. Each proposal, however, would have to be carefully considered by Council. This would be particularly important in situations where an institution has strengths in certain disciplines in a sector but not in many disciplines throughout the sector.

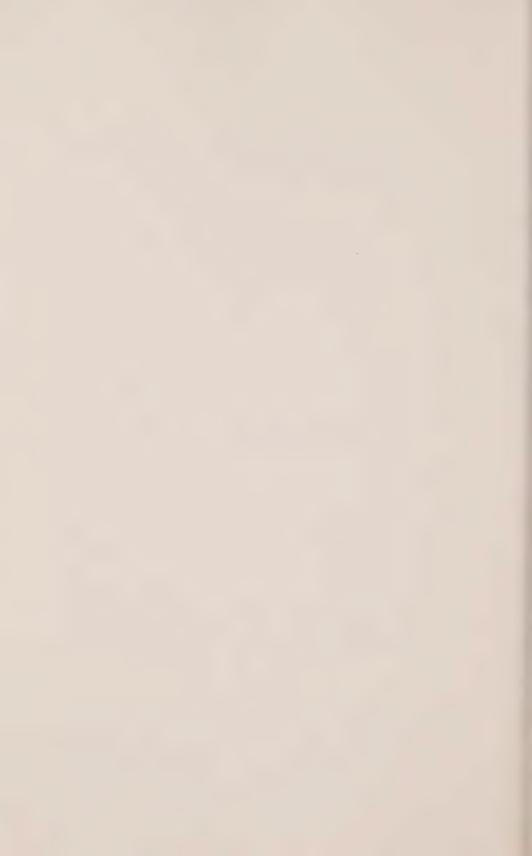
This approach to graduate planning would have many benefits. First, each institution would be aware of the strengths of the others. Second, it would assist the institutions in their planning to the extent that they would be aware, at a very early stage, of which programs would be likely to receive positive funding recommendations. Third, it would do much to rationalize the system yet preserve a measure of institutional autonomy. The institutions would be free to plan programs in certain areas, provided each program was of high quality.

Also, the sector approach, perhaps combined with grants for program merger or closure, would facilitate rationalization. For example, an institution might wish to dismantle a program in a sector in which it did not have the strength in order to redirect its resources to sectors of strength. The institution might then obtain a rationalization grant to help defray the cost of dismantling the program.

# **Epilogue**

In all of the above, Council has ;made clear its belief that the responsibility for system rationalization and institutional role differentiation, as well as graduate planning, should, if possible, ultimately rest with COU and the universities. Council realizes that these tasks, which are essential to the quality and diversity of the Ontario university system are tremendously difficult and may prove impossible for a voluntary association of universities to achieve. Council wishes to assist COU, in whatever manner possible, in achieving these goals. Council, therefore, looks forward to hearing the responses of the universities and COU to the proposals made in this paper.





# grams available at Ontario universities

owing chart is a listing of programs offered at the 16 universities in Ontario. This is not a comprehensive list. For information on special is see the individual university entries on pages 75-113. For information about programs offered at Ryerson Polytechnical Institute and ario College of Art see pages 94-97 and page 114 respectively.

ario College of Art see pages 94-97 and page 114 respectively.	1	1	ı		1					1 0		i			1		
dergraduate degree program dergraduate diploma program dergraduate degree and diploma programs dergraduate and graduate programs duate study only nor specialization only ack with university for details	Universities	Brock	Carleton	Guelph	Lakehead	Laurentian	McMaster	Ottawa	Queen's	Royal Military College	Toronto	Trent	Waterloo	Western	Wilfrid Laurier	Windsor	York
lological Sciences: Agriculture																	
gricultural Biology, Business, Engineering																	
griculture				†												M	
lorticulture																M	
andscape Architecture											•						
iological Sciences: Biology																	
natomy								G	†		G			G		М	
liochemistry						•			•							•	
liology, Biological Sciences											•			•	•		
otany														M			М
hysiology								G	†				M			М	
oology													М			М	
liological Sciences: Dentistry																	
Pental Surgery																	
Dentistry																	
liological Sciences: Other																	
invironmental Studies		•	М				G	G	+			•	•	G			G
orestry, Forest Technology																	
Marine Biology, Sciences																М	
Medicine																	
Microbiology, Immunology		М	•		l			G	†				М			М	
lursing					•	•	•	•	•								
lursing Education														G		M	
Occupational Therapy, Physical Therapy, Physiotherapy									•		•			•			
Optometry																	
Pharmacology								G	G					G			
Pharmacy									L								
Veterinary Medicine																	
Seneral Arts and Science																	
General Arts		•	•	•	•			•	•		•	•	•	•	•	•	
General Science		•	•	•	•	•	•	•	•	<u> </u>	•	•	•	•	•	•	
lumanities: Art, Fine Arts, Theatre				ļ													
Art Conservation									G	<u> </u>							
Art Education			ļ	_	†		ļ		•		•					М	•
Art, Fine Arts				•	•		•	•	•		ļ	М	•	•	•		
Art History			•	•	†		•	0	•	ļ			•	•	•	•	
Dance				-			М						•	•	-	М	
Drama, Dramatic Art		•		•	•	•	•	•	•				•	•		•	
film, Cinema		•	•	1			М	•	•		М		•	•		М	•
Medical Illustration											•						
Painting					•			•				L				М	
Studio Art						ļ	•	•	•		•		•	•		•	
Theatre, Theatre Arts		•			•			•					•			•	

#### Note:

The following chart is a listing of programs offered at the 16 universities in Ontario. This is not a comprehensive list. For information on spiprograms see the individual university entries on pages 75-113. For information about programs offered at Ryerson Polytechnical Institute at the Ontario College of Art see pages 94-97 and page 114 respectively.

the Ontario College of Art see pages 94-97 and page 114 respectively.																
Codes:										ge						۱
= undergraduate degree program										College						ı
+ = undergraduate diploma program															_	ı
<ul><li>undergraduate degree and diploma programs</li><li>undergraduate and graduate programs</li></ul>	60									tany					irie	ı
G = graduate study only	itie		c		ad	tiar	ter		es .	Ē			0	_	la l	ı
M = minor specialization only	/ers	*	eto	면	ehe	ren	Aas	WB	en	at A	ntc	+	erio	teri	Pi	
† = check with university for details	Universitie	Brock	Carleton	Guelph	Lakehead	Laurentian	McMaster	Ottawa	Queen's	Royal Military	Toronto	Trent	Waterloo	Western	Wilfrid Laurier	20.00
46.00 Humanities: Canadian and International Studies																f
46.01 Asian Studies		•					М						М		•	
46.02 Canadian Studies		•		М	•	•		•	•		•	•	•	М	•	-
46.03 Indian, Eskimo, Native Studies					†	•								M		
46.04 Latin-American, Caribbean Studies									•			М				L
46.05 Middle and Near Eastern Studies																L
46.06 Soviet, Russian Studies		•							•					•		L
47.00 Humanities: Journalism																L
47.01 Communications Arts			†					•			М					L
47.02 Journalism														G		
48.00 Humanities: Languages and Literatures																L
48.01 Chinese, Chinese Studies					ļ		М									L
48.02 Classics, Classical Studies		•		•	М	М						•	•		•	L
48.03 English Language and Literature		•										•			•	-
48.04 French Language and Literature		•		•	•					•		•				1
48.05 German Language and Literature		•		•	М	•		•				•			•	L
48.06 Greek Language and Literature		•		•					•			•	M		•	1
48.07 Italian Language and Literature		•	•	•	М	•	•		•				М	•		1
48.08 Latin Language and Literature		•		•	М	M			•			•	•		•	1
48.09 Linguistics, Applied Linguistics			•	•		•	М					М		•		
48.10 Russian Language and Literature		•	•		М	•	•		•					•		
48.11 Spanish Language and Literature		•		•	М	•	•	•				•	•			[
48.12 Translation, Interpretation						•			•		G					
49.00 Humanities: Music																
49.01 Music		•	•	•	•	•	•	•	•				•		•	
49.02 Music Education							•	•	•							L
49.03 Music History, Literature		•	•				•	•	•							
49.04 Music Performance, Applied Music		•					•	•	•						•	
49.05 Music Theory, Composition	<u> </u>	•	•				•	•	•							L
50.00 Humanities: Philosophy and Religious Studies																
50.01 Philosophy					•	•						•			•	[
50.02 Religion, Religious Studies		•			М	•			•				•	•		1
53.03 Theology, Theological Studies							G								G	L
51.00 Independent Studies																L
51.01 Independent Studies, Experimental Programs			•									•	•		•	
52.00 Physical Sciences: Engineering																
52.01 Ceramic Engineering											М					
52.02 Chemical Engineering					Ц	†										[
52.03 Chemical Engineering Nuclear Option										•						
52.04 Civil Engineering	-					†										
52.05 Earth Science								•								
52.06 Electrical Engineering	-			<u></u> .												
52.07 Engineering 52.08 Engineering Physics					Ц	†	†							G		
52.09 Geological and Applied Earth Science									•							
52.10 Industrial Engineering	-															1
52.11 Management Engineering	-									•						
52.12 Materials Science			-				•	•							-	-
Tanada de la constitución de la			G							G						[

owing chart is a listing of programs offered at the 16 universities in Ontario. This is not a comprehensive list. For information on special is see the individual university entries on pages 75-113. For information about programs offered at Ryerson Polytechnical Institute and ario College of Art see pages 94-97 and page 114 respectively.

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hysical Sciences: Engineering (cont'd.)																	
Mechanical Engineering						†											
Metallurgical Engineering						18											
Mining Engineering						•					М		_				
Nuclear Engineering							G			G							
Systems Design			•														
Physical Sciences: Mathematics																	
Applied Mathematics		М	•					•								•	•
Computer Science		•	•	•			•	•				М				•	0
Mathematics		•				•				G		•			•		
Mathematics and Physics		•			•			•		•	•		•				
Statistics		М							•							М	G
Physical Sciences: Physics																	
Astronomy						М			†								G
Biophysics		•					G									•	
Chemical Physics							G		•								G
Geophysics, Space Physics, Astrophysics			•						•							М	G
Mathematical Physics		•	•					0	•								M
Physics										G					•		
Physical Sciences: Other																	
Applied Science					†					•							
Architecture			•										•				
Chemistry			0							G					•		
Fuel and Energy Science			1		М						G						
Geography						•								0			
Geology				М	•	0											
Metallurgy																М	
Regional Studies																	
Community, Urban, Regional Planning				-	+			G	G					G		•	
Urban Studies, Urbanism		•	1	+-			G								•	•	•
Social Sciences: Business, Commerce, Economics		1															
Accounting, Accountancy			М		•	1	М				•	М	•				
Actuarial Science					•	1	<u> </u>				•					М	
Administration, Administrative Studies	1		1				М		<u> </u>				•				
Business, Business Administration	-			М			G				G	•				0	
Business Economics			1		1		-		ļ				_	G			
Commerce				1	•	•		•		•	•	1					
Economics			1-	10				10				•		0	•		
Finance			M	$\vdash$	-		М		_		•						
Industrial, Labour Relations	+		М	-		-	М		1	-	G	-		G		M	
Management, Management Sciences, Business Management	+-		-			†	М	0		-	G	_		G	<b>†</b>		0
Marketing			М	10		-	M			1				G			
Public Administration							М		G								G
Social Sciences: Education		1															
				-	-	•	G			1							
Education	-	+-	+	1	-		1	+	+			1	1				
Flomentary Education								0								1 -	_
Elementary Education Secondary Education	-	•	+	-		+	-	•	•	-	•	•	+	•			-

#### Note:

The following chart is a listing of programs offered at the 16 universities in Ontario. This is not a comprehensive list. For information on sprograms see the individual university entries on pages 75-113. For information about programs offered at Ryerson Polytechnical Institute the Ontario College of Art see pages 94-97 and page 114 respectively.

Codes:  • = undergraduate degree program  + = undergraduate diploma program  • = undergraduate degree and diploma programs  □ = undergraduate and graduate programs  G = graduate study only  M = minor specialization only  † = check with university for details	Universities	Brock	Carleton	Guelph	Lakehead	Laurentian	McMaster	Ottawa	Queen's	Royal Military College	Toronto	Trent	Waterloo	Western	Wilfrid Laurier
59.00 Social Sciences: History															
59.01 Ancient History, Civilization		•					М				•	•		G	
59.02 History		•													
59.03 Mediaeval, Renaissance Studies		•					М		•				•	G	
59.04 War Studies										G			†		
60.00 Social Sciences: Home Economics and Food Studies															
60.01 Clothing and Textiles. Design, Fashion														•	
60.02 Dietetics								•						•	
60.03 Family Studies, Family Science															М
60.04 Home Economics				•										•	
60.05 Nutrition								•						•	3
61.00 Social Sciences: Physical Education and Recreation															
61.01 Health, Health Studies					•		G	•	М		•				
61.02 Kinesiology											М				
61.03 Physical Education, Physical and Health Education		•				•					•				M I
61.04 Recreation		М			•			•			•				
62.00 Social Sciences: Political Science															
62.01 Canadian Politics			†		†		М	•	+					G	
62.02 International Affairs, Relations, Studies			G	М	†		М	٠		•				G	
62.03 Political and Economic Science										•					
62.04 Political Science, Politics					•	•						•			
63.00 Social Sciences: Other															
63.01 Anthropology				•	•	•							•		• [
63.02 Archaeology		•		•			М	•				М			0 1
63.03 Criminology			•					G							
63.04 Law			М											•	
63.05 Library Science					+						G			G	
63.06 Psychology		•				•									0 0
63.07 Secretarial Science, Art, Administration														•	
63.08 Social Work			G		•	•	•		Ī		G		•	•	G [
63.09 Sociology		•				•						•			• [

# Graduate Program Sectors

#### Sector 1 — Humanities

Classics Comparative Literature

English German History \_inguistics Philosophy Religious Studies

Romance Languages

Slavic Studies East Asian Studies History and Philosophy of Science and Technology Medieval Studies Middle East and Islamic Studies Near Eastern Studies Sanskrit and Indian Studies Translation

### Sector 2 — Fine and Applied Arts

Art Conservation Art History Dance

Drama and Theatre

Film Music Visual Arts

#### Sector 3 — Social Sciences

Anthropology Canadian Studies Criminology Economics Geography

International Affairs Political Science Psychology Social and Political Thought Sociology

#### Sector 4 — Applied Social Sciences

Architecture and Landscape Architecture Business and Administration Child and Development Studies Education

ndustrial Relations Journalism and Communication Studies \_aw

Library Science Museum Studies Physical Education, etc. Social Work Urban and Regional Planning **Environmental Studies** 

# Sector 5 — Physical Sciences

Astronomy Chemistry

Computer Science, etc.

Geology, etc. Mathematics Physics

### Sector 6 — Applied Physical Sciences

Aeronautical and Aerospace Engineering
Agricultural Engineering
Biomedical Engineering
Chemical Engineering
Civil Engineering
Electrical Engineering
Geological Engineering
Industrial Engineering and
Systems Design

Mechanical Engineering
Metallurgy and Materials Science
Mining Engineering
Nuclear Engineering
Engineering Physics
Resources Development
Engineering Science
Engineering Management

#### Sector 7 — Life Sciences

Biochemistry Biology Biophysics Botany Microbiology and Immunology Veterinary Microbiology and Immunology Zoology

# Sector 8 — Medical and Applied Life Sciences

Agricultural Sciences
Anatomy
Consumer Studies
Dentistry
Food and Nutrition
Forestry
Health Behaviour
Health Care Practice
Medical Science

Medical Specializations
Nursing
Pathology
Pharmacology
Pharmacy
Physiological Optics
Physiology
Veterinary Medical Sciences
Watershed Ecology

### Interdisciplinary

Interdisciplinary Studies

# Graduate Program Enrolment 1979-19801

# **Brock University**

ector 1	— H	lum	aniti	es
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Philosophy: MA 10FT, 3PT

Sector 3 — Social Sciences

Politics: MA 7FT, 4PT

Sector 4 — Applied Social Sciences

Education: MEd 8FT, 409PT

Sector 5 — Physical Sciences

Chemistry: MSc 7FT, 3PT
Geological Sciences: MSc 4FT, 1PT
Physics: MSc 1FT, -PT

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Total: M 12FT, 4PT

Sector 7 — Life Sciences

Biological Sciences: MSc 12FT, 6PT

This enrolment accounts for 1.5% of total FTE² master's enrolment in the system. It also accounts for the following percentages of system FTE master's enrolment in each sector: Sector 1 — 1.0%, Sector 3 — 0.5%, Sector 4 — 2.5%, Sector 5 — 1.5%, and Sector 7 — 2.0%.

<sup>)</sup> Programs which have not yet been approved for funding purposes have not been included.

Full-time equivalent (FTE) enrolment has been estimated from the OCGS data as follows: FT + (0.3) (PT).

# **Carleton University**

Sector 1 — Humanities							
Classics: Comparative Literature: English: German: History: Philosophy: Religious Studies: French: Spanish: Soviet & East Eur. Studie	es:	MA MA MA MA MA MA MA MA MA	5FT, 7FT, 24FT, 1FT, 12FT, 9FT, 7FT, 7FT, 8FT, 11FT,	3PT 4PT 32PT 12PT 12PT; 7PT 7PT 14PT 6PT 8PT	PhD	10FT,	4PT
	Total:	M	91FT,	105PT;	D	10FT,	4PT
Sector 3 — Social Science	ces						
Anthropology: Economics: Geography:		MA MA MA	13FT, 21FT, 22FT,	10PT 22PT; 23PT	PhD	26FT,	4PT
Political Science: Psychology: Sociology: International Affairs: Canadian Studies:		MA MA MA MA	30FT, 38FT, 26FT, 59FT, 53FT,	20PT; 22PT; 24PT; 68PT 69PT	PhD PhD PhD	38FT, 16FT, 20FT,	21PT 4PT 13PT
	Total:	М	262FT,	258PT;	D	100FT,	42PT
Sector 4 — Applied Soci	al Scien	ces					
Public Administration: Journalism: Social Work:		MPA MJ MSW	85FT, 13FT, 83FT,	117PT 11PT 65PT			
	Total:	М	181FT,	193PT			
Sector 5 — Physical Scie	nces						
Chemistry: Info. & Systems Science: Geology: Mathematics: Physics:		MSc MSc MSc MSc MSc	18FT, 7FT, 10FT, 16FT, 5FT,	6PT; 10PT 10PT; 6PT; 2PT;	PhD PhD PhD PhD	14FT, 9FT, 13FT, 5FT,	2PT 9PT 4PT 1PT
	Total:	M	56FT,	34PT;	D	41FT,	16PT

# Sector 8 — Medical and Applied Life Sciences

ood Science:	MSc	9FT,	2PT;	PhD	3FT,	1PT
Nutrition:	MSc	9FT,	2PT;	PhD	7FT,	-PT
amily Studies:1	MSc	18FT,	3PT;	PhD	1FT,	-PT
Pathology:	MSc	7FT,	2PT;	PhD	7FT,	-PT
Animal & Poultry Science:	MSc	27FT,	5PT;	PhD	10FT,	1PT
Biomedical Science:	MSc	9FT,	1PT;	PhD	4FT,	-PT
Clinical Studies:	MSc	5FT,	8PT			
Consumer Studies:	MSc	2FT,	4PT;	PhD	-FT,	-PT
Crop Science:	MSc	34FT,	3PT;	PhD	14FT,	1PT
Horticultural Science:	MSc	15FT,	3PT;	PhD	6FT,	-PT
Fotal:	M	135FT,	33PT;	D	52FT,	3PT
Graduate Diploma <sup>2</sup> —						
Clinical Studies <sup>3</sup> :		13FT,	-PT			
Pathology:		6FT,	-PT			

Guelph's graduate enrolment accounts for 4.3% of system FTE master's enrolment, 3.3% of system FTE doctoral enrolment and 4.0% of total system FTE graduate enrolment. The doctoral enrolment accounts for the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 1.5%, Sector 3 — 0.8%, Sector 5 — 3.4%, Sector 6 — 0.2%, Sector 7 — 14.7% and Sector 8 — 20.8%. Guelph does not offer any doctoral programs in Sectors 2 and 4. At the doctoral level, Guelph has limited nvolvement in Sectors 1, 3, 5 and 6 and major involvement in Sectors 7 and 8.

# Lakehead University

#### Sector 1 — Humanities

English: History:	MA MA	3FT, -FT,	3PT 2PT
Tota	I: M	3FT,	5PT
Sector 3 — Social Sciences			
Economics: Psychology: Bociology:	MA MA	10FT, 24FT, 3FT,	1PT 3PT 9PT

Total: M

(2) (3) 37FT,

13PT

<sup>(1)</sup> Applied Human Nutrition.

Graduate Diploma enrolment is not included in the calculation of total system, sector or institutional enrolment.

Includes diplomas in several areas.

# Sector 4 — Applied Social Sciences

Education: Coaching:		MEd MA/MSc	,	70PT 1PT
٦	Γotal:	М	10FT,	71PT
Graduate Diploma — Business Administration	n:		23FT,	24PT
Sector 5 — Physical Scien	ces			
Chemistry: Mathematics: Physics:		MSc MA/MSc MSc	11FT, 2FT, 6FT,	2PT -PT -PT
٦	Total:	М	19FT,	2PT
Sector 7 — Life Sciences				
Biology:		MSc	5FT,	1PT
Sector 8 — Medical and A	pplied	Life Sciences		
Forestry:		MSc	9FT,	1PT

Lakehead's master's enrolment accounts for 0.9% of system FTE master's enrolment. It also accounts for the following percentages of system FTE master's enrolment in each sector: Sector 1-0.4%, Sector 3-2.3%, Sector 4-0.6%, Sector 5-2.2%, Sector 7-0.8% and Sector 8-1.3%.

# **Laurentian University**

### Sector 1 — Humanities

English: History:	MA MA	10FT, 5FT,	4PT 3PT
Total:	М	15FT,	7PT
Sector 4 — Applied Social Scien	ces		
Child and Development Studies:	MA	2FT,	9PT
Graduate Diploma — Business Administration:		10FT,	113PT
Sector 5 — Physical Sciences			
Chemistry: Geology: Physics:	MSc MSc MSc	11FT, 9FT, -FT,	2PT 11PT 2PT

Total: M 20FT, 15PT

### Sector 7 — Life Sciences

Biology: MSc 12FT, 4PT

Laurentian's master's enrolment accounts for 0.5% of total system FTE master's enrolment and, in each sector, for the following percentages: Sector 1 — 1.5%, Sector 4 — 0.1%, Sector 5 — 2.7% and Sector 7 — 1.9%.

# McMaster University

# Sector 1 — Humanities

Roman Studies: English: German: History: Philosophy: Religious Studies: French:	MA MA MA MA MA	6FT, 24FT, 6FT, 20FT, 18FT, 21FT, 10FT,	1PT; 33PT; 3PT 9PT; 6PT; 8PT;	PhD PhD PhD <sup>1</sup>	4FT, 29FT, 22FT, 10FT, 32FT,	3PT 2PT 2PT
Tota	I: M	105FT,	68PT;	D	97FT,	25PT

# Sector 3 — Social Sciences

Anthropology: Economics: Geography: Political Science: Psychology: Sociology:		MA MA MSc/MA MA MA	22FT, 13FT, 25FT, 13FT, 10FT, 17FT,	2PT; 4PT;	PhD PhD PhD PhD	36FT, 17FT, (discon	tinued) 3PT
	Total:	M	100FT,	20PT;	D	117FT,	32PT

# Sector 4 — Applied Social Sciences

Business Administration:	MBA	203FT,	
Adapted Human Biodynamics:	MSc	6FT,	
Social Welfare Policy:	MA(SWP)	5FT,	
Social Welfare Policy:	MA(SVVF)	51 1	,

# Total: M 214FT, 323PT

# Sector 5 — Physical Sciences

Chemistry: Computation: Geology: Mathematics: Statistics: Physics:		MSc MSc MSc MSc MSc MSc	17FT, 9FT, 18FT, 1FT, -FT, 15FT,	12PT 3PT; 2PT; -PT	PhD PhD	39FT, 10FT, 14FT, 24FT,	1PT 1PT
	Total:	М	60FT,	22PT;	D	87FT,	15PT

<sup>(1)</sup> Estimate — half of Guelph-McMaster joint doctoral program enrolment.

# Sector 6 — Applied Physical Sciences

Chemical Engineering: Civil Engineering: Electrical Engineering: Mechanical Engineering: Metallurgy and Materials Nuclear Engineering: Engineering Physics:		MEng MEng MEng MEng e:MSc/MEng	11FT, 18FT, 24FT, 13FT, 11FT,	7PT; 30PT; 5PT; 11PT; 6PT;	PhD PhD PhD PhD PhD PhD	15FT, 5FT, 15FT, 15FT, 12FT, 9FT,	5PT 5PT 3PT 2PT -PT 1PT
	Total:	M	94FT,	75PT;	D	71FT,	16PT
Sector 7 — Life Sciences	3						
Biochemistry: Biology:		MSc MSc	13FT, 13FT,	-PT; 4PT;	PhD PhD	4FT, 20FT,	-PT -PT
	Total:	M	26FT,	4PT;	D	24FT,	-PT
Sector 8 — Medical and	Applied	Life Sciences					
Medical Science: Health Care Practice:		MSc MHSc	42FT, 28FT,	32PT; -PT	PhD	43FT,	6PT
	Total:	М	70FT,	32PT;	D	43FT,	6PT

McMaster's graduate enrolment accounts for 7.1% of system FTE master's enrolment, 9.0% of system FTE doctoral enrolment and 7.7% of total system FTE graduate enrolment. The doctoral enrolment accounts for the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 8.7%, Sector 3 — 9.2%, Sector 5 — 11.5%, Sector 6 — 17.3%, Sector 7 — 5.6% and Sector 8 — 17.6%. McMaster does not offer any doctoral programs in Sectors 2 and 4. Based on this information, McMaster can be said to have limited involvement in Sector 7 and major involvement in Sectors 1, 3, 5, 6 and 8 at the doctoral level.

# **University of Ottawa**

#### Sector 1 — Humanities

Classics: English: History: Lettres françaises: Linguistics: Applied Linguistics: Philosophy: Religious Studies: Slavic Studies:		MA MA MA MA MA MA MA	7FT, 6FT, 20FT, 16FT, 7FT, 3FT, 20FT, 3FT, 4FT,	3PT; 6PT; 32PT; 15PT; 27PT 10PT 12PT; 7PT; 5PT;	PhD PhD PhD PhD PhD PhD	7FT, 17FT, 7FT, 14FT, 25FT, 10FT, 8FT,	1PT 17PT 5PT 14PT 15PT 10PT 7PT
	Total:	M	86FT,	117PT;	D	88FT,	69PT

### Sector 3 — Social Sciences

Business Administration:

Health Administration:

Physical Education (Administration):

Kinanthropology:

Regional Planning:

Graduate Diploma -

Criminology:		MA MCA	8FT, 72FT.	12PT 11PT			
Economics:		MA	24FT,			Enrolme suspend	
Geography: Political Science:		MA MA	15FT, 29FT,	9PT; 14PT	PhD	11FT,	ЗРТ
Psychology <sup>1</sup> : Sociology:		MA/MPs MA	70FT, 22FT,	22PT; 12PT	PhD	46FT,	35PT
	Total:	М	240FT,	108PT;	D	57FT,	38PT

# Sector 4 — Applied Social Sciences

Education:	MA	1F1,	12PT;
	MEd	57FT,	318PT
Law:	LLM	12FT,	84PT;
Canon Law:	MDC	17FT,	2PT;

MPE 15FT, 15PT 12FT, 10PT MSc MPI 17FT, 13PT 288FT, 713PT; D 20FT, 32PT Total: M

104FT,

53FT,

11FT

231PT

**28PT** 

PhD

LLD PhD

(DC)

3PT: PhD 23FT.

13FT, 29PT 1FT, 3PT

-PT

6FT,

Administration: Enrolment included in MBA.2

MBA

MHA

#### Sector 5 — Physical Sciences MSc Chamietry

Geology: Mathematics: Physics: Systems Science:	MSc MA/MSc MSc MSc	9FT, 5FT, 4FT, 8FT,	1PT; 2PT; 2PT; 5PT	PhD PhD	10FT, 1FT, 6FT,	1PT -PT -PT
Total:	М	37FT,	13PT;	D	40FT,	3PT
Sector 6 — Applied Physical So	iences					

Total:	М	37FT,	13PT;	D	40FT,	3PT
Sector 6 — Applied Physical Sci	ences					
Chemical Engineering:	MASc/ MEngg	7FT,	3PT;	PhD	9FT,	2PT
Civil Engineering:	MASc/ MEng	22FT,	7PT;	PhD	5FT,	1PT
Electrical Engineering:	MASc/ MEng MASc/	25FT,	29PT;	PhD	4FT,	6PT
Mechanical Engineering:	MEng	10FT,	9PT			
Total:	М	64FT,	48PT;	D	18FT,	9PT

Includes enrolment from two programs. (2)

The diploma may be awarded to students who leave the MBA program after the first year.

### Sector 7 — Life Sciences

Biochemistry: Biology: Microbiology and Immunology:	MSc MSc MSc	5FT, 34FT, 2FT,	-PT; 11PT; -PT;	PhD PhD PhD	11FT, 9FT, 1FT,	-PT 6PT -PT
Total:	М	41FT,	11PT;	D	21FT,	6PT
Sector 8 — Medical and Applied	Life Sciences					
Anatomy: Pathology: Pharmacology: Physiology:	MSc MSc MSc MSc	5FT, 2FT, 3FT, 4FT,	1PT; -PT; 2PT; -PT;	PhD PhD PhD PhD	1FT, -FT, 3FT, 1FT,	-PT 3PT -PT 1PT
Total:	M	14FT,	3PT;	D	5FT,	4PT

Ottawa's graduate enrolment accounts for 9.1% of system FTE master's enrolment. 5.7% of system FTE doctoral enrolment and 8.1% of total system FTE graduate enrolment. The doctoral enrolment accounts for the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 9.1%, Sector 3 — 5.0%, Sector 4 — 4.4%, Sector 5 — 5.1%, Sector 6 — 4.7%, Sector 7 — 5.3% and Sector 8 — 2.4%. Ottawa does not offer any doctoral programs in Sector 2. Based on this information, Ottawa can be said to have limited involvement in Sectors 3, 4, 5, 6, 7 and 8 and major involvement in Sector 1 at the doctoral level.

# **Queen's University**

## Sector 1 — Humanities

Classics: English: German: History: Philosophy: French: Spanish:		MA MA MA MA MA MA	1FT, 28FT, 6FT, 35FT, 2FT, 3FT, 1FT,	-PT 12PT; -PT; 16PT; -PT; 3PT -PT	PhD PhD PhD PhD PhD	30FT, 6FT, 19FT, 7FT, 4FT,	6PT 2PT 8PT -PT 3PT
	Total:	М	76FT,	31PT;	D	66FT,	19PT
Sector 2 — Fine and App	lied Ar	ts					
Art Conservation:		MAC	21FT,	6PT			
Sector 3 — Social Science	es						
Economics: Geography: Political Science:		MA MA	41FT, 24FT, 28FT,	20PT; 9PT; 13PT;	PhD PhD PhD	39FT, 10FT, 29FT,	23PT 3PT 10PT

18FT.

19FT.

130FT.

7PT:

2PT

51PT:

PhD

MA

MA

Total: M

52FT.

D 130FT,

17PT

**53PT** 

Psychology:

Sociology:

# Sector 4 — Applied Social Sciences

Ocicii	JC 3					
ation: ning:	MBA MPA MEd LLM MA/MSc MPI	213FT, 27FT, 14FT, 6FT, 11FT, 25FT,	-PT 36PT 112PT 3PT 2PT 26PT			
Total:	М	296FT,	179PT			
nces	MSc	16FT,	2PT;	PhD	10FT,	2PT
os:	MSc MSc MA/MSc MSc	19FT, 36FT, 12FT, 18FT,	5PT 7PT; 7PT; 1PT;	PhD PhD PhD	19FT, 14FT, 4FT,	3PT 1PT -PT
Total:	M	101FT,	22PT;	D	47FT,	6PT
ical Sci	ences					
g:	MSc MSc MSc MSc MSc MSc	9FT, 17FT, 12FT, 8FT, 5FT, 6FT,	4PT; 6PT; 5PT; 3PT; 3PT; 25PT;	PhD PhD PhD PhD PhD PhD	1FT, 3FT, 7FT, 3FT, 1FT, -FT,	2PT 2PT 3PT 5PT 1PT 1PT
Total:	М	57FT,	25PT;	D	15FT,	14PT
;						
iology:	MSc MSc MSc	11FT, 24FT, 11FT,	1PT; 3PT; 3PT;	PhD PhD PhD	4FT, 19FT, 4FT,	2PT 2PT -PT
Total:	М	46FT,	7PT;	D	27FT,	4PT
Applied	Sciences					
lemiolog	MSc MSc MSc MSc MSc MSc MSc y:MSc	3FT, 1FT, 7FT, 13FT, 1FT, 1FT, -FT, 6FT,	1PT; -PT; -PT; 1PT; -PT -PT -PT	PhD PhD PhD PhD	1FT, -FT, 8FT, 1FT,	2PT -PT -PT -PT
Total:	М	32FT,	10PT;	D	10FT,	2PT
	eation: ning: Total: nces  Total: ical Scio	MBA MPA MED LLM MA/MSc MPI Total: M Inces  MSc	MBA 213FT, MPA 27FT, MEd 14FT, LLM 6FT, 11FT, 25FT, Total: M 296FT,  MSc 19FT, MSc 36FT, MSc 36FT, MSc 12FT, MSc 14FT, MSc 14F	MBA 213FT, -PT MPA 27FT, 36PT MEd 14FT, 112PT LLM 6FT, 3PT 11FT, 2PT 25FT, 26PT    Total: M 296FT, 179PT    MSc 19FT, 5PT MSc 36FT, 7PT; MSc 12FT, 7PT; MSc 12FT, 6PT; MSc 12FT, MSc 11FT, PT; MSc 13FT, PT; MSc 13FT, PT; MSc 13FT, PT; MSc 13FT, PT; MSc 15FT, PT MSc 15FT,	MBA 213FT, -PT 36PT MPA 27FT, 36PT MEd 14FT, 112PT LLM 6FT, 3PT 3PT 25FT, 26PT MPI 25FT MPI 2	MBA MPA MPA MPA MPA MPA MPA MPA MEd MEd MEd MEd MEd MI MED MI MED MI MED MI MED MI

This enrolment represents 7.3% of system FTE master's enrolment, 6.2% of system FTE doctoral enrolment and 7.0% of total system FTE graduate enrolment. The doctoral enrolment represents the following percentages of system FTE doctoral enrolment by sector: Sector 1-6.0%, Sector 3-10.6%, Sector 5-6.1%, Sector 6-4.4%, Sector 7-6.6% and Sector 8-4.2%. Queen's does not offer any doctoral programs in Sectors 2 and 4. Based on this information, Queen's can be said to have limited involvement in Sectors 1, 5, 6, 7 and 8 and a major involvement in Sector 3.

# **University of Toronto**

Sector 1	- H	luma	nities
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Classics:	MA/PhilM	6FT,	5PT;	PhD 19FT,	6PT
Comparative Literature:	MA	8FT,	5PT;	PhD 18FT,	2PT
English:	MA/PhilM	52FT,	64PT;	PhD 143FT,	27PT
German:	MA/PhilM	2FT,	6PT;	PhD 21FT,	2PT
History:	MA	22FT,	23PT;	PhD 93FT,	14PT
Linguistics:	MA	11FT,	9PT;	PhD 12FT,	-PT
Philosophy:	MA/PhilM	22FT,	8PT;	PhD 72FT,	13PT
Religious Studies:	MA	9FT,	-PT;	PhD 11FT,	-PT
French:	MA/PhilM	5FT,	14PT;	PhD 32FT,	5PT
Italian:	MA/PhilM	4FT,	12PT;	PhD 19FT,	8PT
Spanish & Portuguese:	MA/PhilM	7FT,	12PT;	PhD 23FT,	3PT
Slavic Languages & Lit.:	MA	1FT,	1PT;	PhD 21FT,	7PT
East Asian Studies:	MA/PhilM	4FT,	4PT;	PhD 15FT,	-PT
History & Phil. of Sci. & Tech.:	MA	11FT,	2PT;	PhD 10FT,	6PT
Medieval Studies:	MA	21FT,	2PT;	PhD 83FT,	8PT
Middle East & Islamic Studies:	MA/PhilM	5FT,	-PT;	PhD 3FT,	-PT
Near Eastern Studies:	MA/PhilM	6FT,	7PT;	PhD 21FT,	4PT
Sanskrit & Indian Studies:	MA/PhilM	-FT,	1PT;	PhD 8FT,	2PT
T-4-1.		10057			

Total: M 196FT, 179PT; D624FT, 107PT

Graduate Diploma —

Russian and East European Studies: -FT. -PT

#### Sector 2 — Fine and Applied Arts

Drama:		12FT,	,		32FT,	6PT
Music:	MA/MusM	33FT,	19PT;	PhD /Mus[	,	4PT
History of Art:	MA/PhilM	13FT,	23PT;	PhD	4FT,	2PT

Total: M 58FT, 44PT; D 51FT, 12PT

# ector 3 — Social Sciences

nthropology: Priminology: Beography:		MA/PhilM MA MA/PhilM/	15FT, 18FT,	16PT; 44PT	PhD	71FT,	9PT	
acography.		MSc	24FT,	11PT;	PhD	29FT,	4PT	
Political Economy:		MA/PhilM	46FT,	26PT;		153FT,	41PT	
Psychology: Bociology:		MA MA/PhilM	10FT, 11FT,	1PT; 6PT;	PhD PhD	52FT, 70FT,	11PT 17PT	
	Total:	М	124FT,	104PT;	D	375FT,	82PT	
Sector 4 — Applied Socia	I Scien	ces						
Management Studies: Education <sup>1</sup> :		MBA MA MEd MA(T)/MSc	193FT, 100FT, 122FT, 1	369PT; 82PT; ,383PT; 25PT	PhD PhD PhD	23FT, 315FT, 82FT,	15PT 104PT 181PT	
_aw:		LLM	16FT.	10PT;	DJur	6FT,	2PT	
_ibrary Science:		MLS	172FT,	51PT;	PhD	7FT,	5PT	
Social Work:		MSW	227FT, 39FT,	1PT; 33PT;	DSW PhD	31FT, 6FT,	17PT 1PT	
Jrban & Regional Plannii ndustrial Relations:	ng:	MScPl MIR	29FT.	16PT	FIID	01 1,		
Architecture:		MArch	8FT,	3PT				
Museum Studies:		MMSt	26FT,	17PT				
	Total:	М	932FT, 1	,990PT;	D	470FT,	325PT	
Sector 5 — Physical Scie	nces							
Astronomy:		MSc	7FT,	-PT;		18FT,	-PT	
Chemistry:		MSc MSc	22FT, 37FT.	3PT; 45PT:	PhD PhD	61FT, 52FT,	6PT 8PT	
Computer Science: Geology:		MEng/MSc	19FT,	18PT;		26FT,	3PT	
Mathematics:		MSc	6FT,	15PT;	PhD	19FT,	6PT	
Statistics:		MSc	9FT,	4PT;		15FT, 79FT,	1PT 10PT	
Physics:		MSc	55FT,	8PT;		,		
	Total:	М	155FT,	93PT;	D	270FT,	34PT	
Sector 6 — Applied Phys	ical Sci	iences						
Chemical Engineering <sup>2</sup> :		MASc/MEn		72PT;		22FT,	2PT	
Civil Engineering:		MASc/MEn MASc/MEn	-	110PT; 97PT:	PhD PhD	10FT, 33FT.	7PT 12PT	
Electrical Engineering <sup>3</sup> : Industrial Engineering:		MASC/MEN		26PT;	PhD	11FT,	4PT	
Mechanical Engineering:		MASc/MEn	g 30FT,	43PT;	PhD	13FT,	2PT	
Metallurgy & Materials S	cience:	MASc/MEn		16PT;	PhD	13FT, 18FT,	-PT 4PT	
Aerospace Engineering:		MASc/MEn	ig 41F1,	13PT;	PhD	TOFT,	461	

Total: M

268FT, 377PT; D 120FT, 31PT

Enrolment at the Ontario Institute for Studies in Education is included.

<sup>(2)</sup> (3)

Includes Nuclear Engineering Includes Biomedical Engineering

#### Sector 7 — Life Sciences

Biochemistry: Clinical Biochemistry: Medical Biophysics: Botany: Microbiology & Parisitology: Immunology: Zoology:	MSc MSc MSc MSc MSc MSc MSc	20FT, 6FT, 32FT, 33FT, 19FT, 5FT, 61FT,	4PT; 3PT; 3PT; 11PT; 5PT; 2PT; 8PT;	PhD PhD PhD PhD PhD	15FT, 8FT, 26FT, 19FT, 4FT, 3FT, 66FT,	2PT -PT 2PT 5PT -PT 2PT 7PT
Total:	М	176FT.	36PT:	D	141FT	18PT

Sector 8 — Medical and Applied	Life Science	es				
Anatomy:	MSc	4FT,	3PT;	PhD	2FT.	-PT
Dentistry:	MSc/MScD	8FT,	4PT;	PhD	7FT.	-PT
Nutrition and Food Science:	MSc	10FT,	6PT;	PhD	10FT.	-PT
Forestry:	MScF	15FT,	8PT;	PhD	8FT,	-PT
Medical Science:	MSc	13FT,	10PT;	PhD	15FT.	4PT
Nursing:	MScN	33FT,	29PT		,	
Pathology:	MSc	5FT,	-PT;	PhD	9FT.	1PT
Pharmacology:	MSc	13FT,	7PT;	PhD	20FT.	3PT
Physiology:	MSc	17FT,	5PT;	PhD	22FT.	6PT
Community Health:	MSc/				,	
	MHSc	135FT,	14PT;	PhD	9FT.	6PT
Pharmacy:	MScPhm	12FT,	4PT;	PhD	-FT,	1PT
Total:	М	265FT,	90PT;	D	102FT,	21PT

Toronto's graduate enrolment represents 26.0% of system FTE master's enrolment, 45.0% of system FTE doctoral enrolment and 31.8% of total system FTE graduate enrolment. The doctoral enrolment represents the following percentages of system FTe doctoral enrolment by sector: Sector 1 — 54.9%, Sector 2 — 100%, Sector 3 - 29.2%, Sector 4 - 84.6%, Sector 5 - 35.1%, Sector 6 - 29.5%, Sector 7 - 34.2% and Sector 8 - 42.6%. It is clear from this that Toronto has a major involvement in all sectors.

# **Trent University**

Sector 1	 numanities
History:	

History:	MA	6FT,	-PT
Sector 3 — Social Sciences			
Anthropology:	MA	10FT,	2PT
Sector 5 — Physical Sciences			
Chemistry: Physics:	MSc MSc	2FT, 2FT,	2PT 1PT

Total: M 4FT, 3PT

### Sector 8 — Life Sciences

Watershed Ecology: MSc 13FT, 3PT

Trent's master's enrolment represents 0.3% of total system FTE master's enrolment. It also accounts for the following percentages of system FTE master's enrolment in each sector: Sector 1 — 0.5%, Sector 3 — 0.6%, Sector 5 — 0.5%, Sector 8 — 1.9%.

# **University of Waterloo**

### Sector 1 — Humanities

English: German: History: Philosophy: French: Russian:		MA/MPhil MA/MPhil MA/MPhil MA/MPhil MA MA	50FT, 10FT, 30FT, 15FT, 4FT, 8FT,	33PT 1PT; 14PT; 2PT; 2PT -PT	PhD PhD PhD	8FT, 8FT, 20FT,	4PT 5PT 5PT
	Total:	M	117FT,	52PT	D	36FT,	14PT
Sector 3 — Social Scien	ces						
Economics: Geography: Political Science: Psychology — Psy.: — App. Psy Sociology:	.:	MA MA MA MASC MA	13FT, 32FT, 18FT, 18FT, 32FT, 19FT,	2PT 5PT; 7PT	PhD	11FT, 56FT, 17FT,	4PT 28PT 4PT
,	Total:	М	132FT,	37PT;	D	84FT,	36PT
Sector 4 — Applied Soc	ial Scier	ices					
Management Science: Kinesiology: Recreation: Regional Planning:		MASc MA MA	18FT, 29FT, 12FT, 50FT,	6PT; 12PT	PhD		7PT 1PT 8PT
	Total:	М	109FT,	119PT;	D	32FT,	16PT

Sector	5 —	<b>Physical Sciences</b>
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	•							
	emistry¹: mputer Science:		MSc MPhil/	20FT,	4PT;	PhD	21FT,	2PT
	rth Sciences:		MMath MSc	48FT, 35FT.			20FT, 6FT,	10PT 2PT
	thematics — Pure:		MPhil/	,	, _, ,		,	
	— Applied:	:	MMath MPhil/	4FT,	,	PhD	8FT,	-PT
	— Stats:		MMath MPhil/	10FT,	1PT;	PhD	7FT,	-PT
	— C & O <sup>2</sup> :		MMath MPhil/	14FT,	55PT;	PhD	8FT,	3РТ
	— General		MMath MPhil/	7FT,	-PT;	PhD	20FT,	6PT
Phy	/sics:		MMath MSc	1FT, 12FT,	37PT 4PT;	PhD	19FT,	1PT
		Total:	M	151FT,	130PT;	D	109FT,	24PT
Sec	tor 6 — Applied Phys	ical Sci	ences					
Civ Ele Sys	emical Engineering: il Engineering: ctrical Engineering: stems Design: chanical Engineering:		MASc MASc MASc MASc MASc	10FT, 35FT, 28FT, 17FT, 35FT,	25PT; 28PT; 17PT; 2PT; 55PT;	PhD PhD PhD	20FT, 18FT, 25FT, 18FT,	2PT 3PT 4PT 4PT 8PT
С	iduate Diploma — ivil Engineering Construction Mamt.):	Total:	M	125FT, 1FT,	127PT;	D	99FT,	21PT
·	, , , , , , , , , , , , , , , , , , ,			11-1,	1			
Sec	tor 7 — Life Sciences							
Bio	logy:		MSc	43FT,	5PT;	PhD	25FT,	-PT
Sec	tor 8 — Medical and A	Applied	Life Science	es				
Hea	Ith Behaviour:		MSc	9FT,	2PT			

Waterloo's graduate enrolment accounts for 7.1% of system FTE master's enrolment, 8.0% of system FTE doctoral enrolment and 7.4% of total system FTE graduate enrolment. The doctoral enrolment represents the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 3.4%, Sector 3 — 6.9%, Sector 4 - 5.5%, Sector 5 - 14.6%, Sector 6 - 24.0% and Sector 7 - 5.8%. Waterloo does not offer any doctoral programs in Sectors 2 and 8. From this information, Waterloo can be said to have limited involvement in Sectors 1, 3, 4 and 7 and major involvement in Sectors 5 and 6.

2FT,

11FT.

4PT

6PT

MSc

Total: M

Physiological Optics:

Estimate — half of Guelph-Waterloo joint graduate program enrolment

Combinatorics and Optimization

# **University of Western Ontario**

Sector 1 — Humanities							
Classics: Greek: Latin:		MA MA MA	-FT, -FT, -FT,	-PT -PT -PT	D. D.	0057	4057
English: Canadian Literature: German:		MA MA	19FT, -FT, 4FT,	14PT; -PT 1PT	PhD	32FT,	
History: Philosophy: French: Spanish:		MA MA MA	24FT, 7FT, 4FT, 8FT,	20PT; 1PT; 3PT; -PT	PhD PhD PhD	10FT, 28FT, 8FT,	5PT 9PT 12PT
	Total:	М	66FT,	39PT;	D	78FT,	39PT
Sector 2 — Fine and Ap	plied Art	ts					
Music:		MA/MMus	55FT,	30PT			
Sector 3 — Social Scien	ces						
Economics: Geography: Political Science: Psychology: Sociology:		MA MSc/MA MA MA MA	23FT, 21FT, 16FT, 39FT, 23FT,	-PT; 9PT; 21PT; 1PT; 17PT	PhD PhD PhD PhD	31FT, 19FT, 4FT, 38FT,	20PT 7PT 3PT 34PT
	Total:	М	122FT,	48PT;	D	92FT,	64PT
Sector 4 — Applied Soci	ial Scien	ces					
Business Administration Education:	:	MBA MEd MA(T) MA	493FT, 16FT, 2FT, 37FT,	1PT; 248PT 6PT -PT	PhD	16FT,	12PT
Journalism: Library Science: Physical Education:		MLS MA	145FT, 21FT,	87PT; 26PT;	PhD PhD	8FT, 2FT,	5PT 1PT
	Total:	М	714FT,	368PT;	D	26FT,	18PT
Sector 5 — Physical Sci	ences						
Astronomy: Chemistry: Computer Science:		MSc MSc MSc	-FT, 15FT, 11FT,	-PT; -PT; 13PT	PhD PhD	2FT, 22FT,	-PT 2PT
Geology: Geophysics: Mathematics: Applied Math: Physics:		MSc MSc MA MSc MSc	16FT, 4FT, 2FT, 2FT, 12FT,	3PT; -PT; -PT; 2PT; -PT:	PhD PhD PhD PhD	27FT, 3FT, 9FT, 10FT, 4FT.	4PT 1PT 3PT 2PT -PT
			,	,		,	

Total: M

62FT, 18PT; D 77FT, 12PT

Sector 6 -	Applied	Physical	Sciences
------------	---------	----------	----------

Engineering Science:	MESc/ MEng	46FT,	39PT;	PhD	22FT,	10PT
Sector 7 — Life Sciences						
Biochemistry: Biophysics: Plant Science: Microb. & Immun.: Zoology:	MSc MSc MSc MSc MSc	18FT, 7FT, 24FT, 10FT, 26FT,	4PT; 2PT; 2PT; 1PT; 4PT;	PhD PhD PhD PhD PhD	20FT, 5FT, 12FT, 14FT, 19FT,	4PT 2PT 2PT -PT 1PT
Total:	М	85FT,	13PT;	D	70FT,	9PT
Sector 8 — Medical and Applied	d Life Scien	ces				
Anatomy: Paediatric Dentistry: Nursing:	MSc MCID MScN	9FT, 8FT, 14FT.	3PT; 1PT 20PT	PhD	5FT,	2PT
Pathology: Pharmacology: Physiology:	MSc MSc MSc	2FT, 3FT, 13FT,	-PT; 2PT; 3PT;	PhD PhD PhD	-FT, 7FT, 5FT,	-PT 1PT 2PT
Medical Specializations  — Family Medicine:  — Speech Pathology:	MCISc MSc/ MCISc	7FT, 54FT.	5PT 4PT			
<ul> <li>Epidemiology:</li> <li>Medicine:</li> <li>Paediatrics:</li> <li>Surgery:</li> <li>Anaesthesiology:</li> <li>Diagnostic Radiology:</li> <li>Obstetrics and Gynaecology</li> <li>Ophthalmology:</li> <li>Otolaryngology:</li> <li>Psychiatry:</li> <li>Radiation Oncology:</li> </ul>	MSc MCISc MCISc MCISc MCISc MCISc MCISc MCISc MCISc MCISc	-FT, 1FT, -FT, -FT, -FT, -FT, -FT, -FT, -FT,	17PT; -PT	PhD	10FT,	9PT
Total:	M	111FT,	55PT;	D	27FT,	14PT

Western's enrolment represents 12.3% of system FTE master's enrolment, 8.5% of system FTE doctoral enrolment and 11.1% of total system FTE graduate enrolment. The doctoral enrolment represents the following percentages of system FTE doctoral enrolment by sector: Sector 1 — 7.5%, Sector 3 — 8.1%, Sector 4 — 4.7%, Sector 5 — 10.1%, Sector 6 — 5.7%, Sector 7 — 17.0% and Sector 8 — 12.3%. Western does not offer any doctoral programs in Sector 2. Based on this information, Western can be said to have limited involvement in Sectors 4 and 6 and a major involvement in Sectors 1, 3, 5, 7 and 8.

# Wilfrid Laurier University

#### Sector 1 — Humanities

History:	MA	3FT,	6PT
Religion and Culture:	MA	9FT,	23PT
Romance Languages:	MA	3FT,	2PT

Total: M

15FT, 31PT

#### Sector 3 — Social Sciences

Geography:		MA	13FT,	14PT
Political Science:		MA	6FT,	2PT
Psychology:		MA	15FT,	7PT
	Total:	М	34FT,	23PT

## Sector 4 — Applied Social Sciences

FT,	30PT
/ 144FT,	11PT
	-FT, / 144FT,

Total: M

144FT, 41PT

This master's enrolment accounts for 1.9% of system FTE master's enrolment, and, n each sector, for the following percentages: Sector 1 — 2.1%, Sector 3 — 2.3% and Sector 4 — 3.0%.

# **University of Windsor**

### Sector 1 — Humanities

English:	MA	15FT,	7PT
Creative Writing:	MA	2FT,	-PT
History:	MA	12FT,	10PT
Philosophy:	MA	3FT,	3PT
Religious Studies:	MA	5FT,	10PT
Romance Languages:	MA	2FT,	1PT
French:	MA	2FT,	4PT
Spanish:	MA	-FT,	-PT

Total: M

41FT, 35PT

Sector 3 — Social Science	292						
Economics: Geography: Political Science: Psychology: Sociology:		MA MA MA MA	15FT, 7FT, 12FT, 29FT, 8FT,	1PT 5PT 6PT 7PT; 6PT	PhD	41FT,	19PT
	Total:	М	71FT,	25PT;	D	41FT,	19PT
Sector 4 — Applied Soci	al Scien	ices					
Business Administration: Education: Communication Studies: Human Kinetics: Social Work:		MBA MEd MA MHK MSW	67FT, 6FT, 12FT, 21FT, 17FT,	57PT 267PT 4PT 4PT 14PT			
	Total:	М	123FT,	346PT			
Sector 5 — Physical Science	ences						
Chemistry: Geology: Mathematics: Physics:		MSc MSc MSc MSc	11FT, 6FT, 9FT, 8FT,	7PT; 1PT 3PT; -PT;	PhD PhD PhD	10FT, 12FT, 8FT,	3PT -PT 2PT
	Total:	M	34FT,	11PT;	D	30FT,	5PT
Sector 6 — Applied Physical Sciences							
Chemical Engineering: Civil Engineering: Electrical Engineering: Industrial Engineering: Mechanical Engineering: Engineering Materials: Geological Engineering:		MASC MASC MASC MASC MASC MASC	4FT, 14FT, 9FT, 7FT, 6FT, 3FT, 2FT,	-PT; 8PT; 8PT; 1PT; 4PT; 2PT; -PT	PhD PhD PhD PhD PhD PhD	2FT, 8FT, 7FT, 2FT, 2FT, -FT,	1PT -PT 2PT 1PT 3PT -PT
	Total:	M	45FT,	23PT;	D	21FT,	7PT
Sector 7 — Life Sciences	3						
Biology:		MSc	18FT,	4PT;	PhD	12FT,	1PT

The above enrolment accounts for 4.0% of the FTE master's enrolment, 2.2% of the FTE doctoral enrolment and 3.4% of the total FTE graduate enrolment in the system. The doctoral enrolment accounts for the following percentages of system FTE doctoral enrolment in each sector: Sector 3-3.4%, Sector 5-4.0%, Sector 6-5.3% and Sector 7-2.9%. Windsor does not offer any doctoral programs in Sectors 1, 2, 4 and 8. It can be said to have limited involvement in Sectors 3, 5, 6 and 7.

# York University

Sector 1 Humanities								
English:		MA MA	31FT, 12FT,	59PT; 22PT;	PhD PhD	49FT, 12FT,		
History: Philosophy:		MA	8FT,	4PT;	PhD	20FT,		
	Total:	М	51FT.	85PT:	D	81FT.	48PT	
			011 1,	001 1,		011 1,		
Sector 2 — Fine and App	olied Art	S						
Theatre:		MFA MFA	-FT, 10FT,	-PT -PT				
Dance: Film:		MFA	7FT.	-PT				
/isual Arts:		MFA	15FT,	-PT				
	Total:	М	32FT,	-PT				
Sector 3 — Social Scien	ces							
Social Anthropology:		MA	11FT,	3PT				
Economics:		MA	32FT,	28PT	D. D.	457	ODT	
Geography:		MA	16FT, 27FT,	12PT; 14PT;	PhD	4FT, 55FT,	2PT 10PT	
Political Science:		MA MA	48FT,	10PT;	PhD			
Psychology: Sociology:		MA	37FT,	10PT;	PhD			
Social & Political Thoug	ht:	MA	2FT,	1PT;	PhD	38FT,	14PT	
	Total:	М	173FT,	78PT;	D	232FT,	72PT	
Sector 4 — Applied Soci	ial Scien	ices						
Administrative Studies:		MBA	312FT,	751PT				
Public Administration:		MPA	4FT,	13PT	Div	5FT.	1PT	
Law:		LLM MA/MSc	15FT, 18FT,	82PT; 1PT	DJur	SF1,	IFI	
Physical Education: Environmental Studies:		MES	155FT,	60PT				
	Total:	М	504FT,	907PT;	D	5FT,	1PT	
Graduate Diploma — La	w:		4FT,	-PT				
Sector 5 — Physical Sci	ences							
Chemistry:		MSc	3FT,	11PT;	PhD	8FT,	-PT	
Mathematics:		MA MSc	2FT, 5FT,	16PT 2PT;	PhD	11FT,	2PT	
Physics: Exp. Space Science:		MSc	4FT,	4PT;	PhD	13FT,	6PT	
	Total:	М	14FT,	33PT;	D	32FT,	8PT	

# Sector 7 — Life Sciences

Biology: MSc 36FT, 6PT; PhD 16FT, 1PT

Interdisciplinary

Interdisciplinary Studies: MA 23FT, 5PT

York graduate enrolment accounts for 9.9% of system FTE master's enrolment, 7.8% of system FTE doctoral enrolment and 9.3% of total system FTE graduate enrolment. The doctoral enrolment represents the following percentages of system FTE doctoral enrolment by sector: Sector 1-8.0%, Sector 3-18.5%, Sector 4-0.8%, Sector 5-4.3% and Sector 7-3.8%. York does not offer any doctoral programs in Sectors 2, 6 and 8. Based on the above information York has limited involvement in Sectors 4, 5 and 7 and a major involvement in Sectors 1 and 3.



Ontario
Council on
University
Affairs

416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

October 30, 1979

Dr. E.J. Monahan, Executive Director, Council of Ontario Universities, 130 St. George Street, Suite 8039, Toronto, Ontario. M5S 2T4

Dear Dr. Monahan,

The following statement is sent to you from the Graduate Committee of Council. The Graduate Committee welcomes this opportunity to clarify the requests that I conveyed to you on October 18, 1979 concerning the submission of information on new graduate programs for which funding is being sought. The Committee believes that this statement faithfully reflects the views that were advanced by Council in reaction to the programs that were submitted to it in September. Nevertheless, Council will take the opportunity to reaffirm these views within the next few weeks, should it deem this to be necessary.

With respect to the format of the funding request for each graduate program, COU should present a short brief of approximately three to five pages in length describing the program and clearly indicating that the program has satisfied each of the four

funding criteria.

Council's first criterion concerns evidence of need. In Advisory Memorandum 77-VII, Council did state that it was reluctant to define need strictly but also indicated that it would expect to see evidence of both student demand and external demand. Council suggested that one example of student demand would be 'numbers of students admitted and applying to a program'. With respect to external demand, what is desired is information concerning the sectors and specific areas in which graduates of the program will be employed. In other jurisdictions, where do graduates of similar programs find employment? Within Ontario, have there been any advertisements for, or has any organization expressed a desire to employ, individuals with the qualifications that this program will provide? You will note that this information will help to demonstrate the 'availability of employment opportunities' that Council mentioned in the memorandum.

The second criterion is concerned with the uniqueness of the program. Council is therefore requesting that the description of the program include a statement in layman's language about the program's unique features and how it differs from any other program (graduate or otherwise) in the province that may be considered to be

similar. Naturally, for Master's programs which are considered to be of regional importance, the uniqueness criterion will be interpreted accordingly.

The third criterion concerns the appraisal of the graduate program. As stated in the memorandum, Council wishes to know not ony that 'the proposed program has passed a rigorous appraisal' but that 'at the time of appraisal (it) was not found to require improvements'.

The fourth criterion states that Council requires 'Certification from the institution that admissions to the program commenced prior to its being proposed for funding consideration'. This criterion '...is designed to demonstrate institutional commitment to, and student interest in,' the program in question. The Graduate Committee will undertake to clarify Council's view of this criterion in the coming weeks. Your concern over substituting 'enrolment' for 'admissions' will be considered. Council will consider as well whether some minimum enrolment or number of admissions should be required to satisfy this criterion.

Council can only reiterate that the funding criteria for the first guinguennium, as set forth in Advisory Memorandum 77-VII, are now the criteria that must be addressed before any new graduate program will be given funding consideration. Old criteria are no longer sufficient for funding consideration. However, Council must stress that satisfaction of the four criteria will not necessarily guarantee a funding recommendation. In Advisory Memorandum 77-VII, Council stated that 'funding approval for new graduate progams would no longer be an automatic matter and that Council's own task in the funding approval process would include the "balancing of fiscal realities and new initiatives". Council is expressing the hope that you will understand that, in this period of fiscal constraint, it must seriously consider each new graduate program in light of the above statment. COU's assistance will be invaluable in carrying out this important task. In particular, Council needs assurance from COU that, from the viewpoint of 'a system on the brink', the program should be offered and funded despite financial constraint. In this connection, and consistent with the goal of system rationalization, Council would like to be assured by COU that the particular institution could best offer the program and that the program is consistent with the aims, objectives and existing strengths of the institution. Such assurances are of great importance if Council's criteria are to be applied with a sense of perspective whereby, for example, a particularly desirable program might be funded even if a precise impression of external demand cannot be confirmed.

On behalf of the Graduate Committee, I hope that this letter serves to clarify the requests I conveyed to you at our meeting of October 18, 1979. It is the belief of the Graduate Committee that Council will approve of offering COU the opportunity to resubmit the ten graduate programs in the format suggested above by January 10, 1980. Nevertheless, I will be in contact with you in the near future to confirm the views of Council as expressed by the Graduate Committee in this letter.

Yours sincerely,

W.C. Winegard Chairman



Ontario
Council on
University
Affairs

416/965-5233

7th Floor 700 Bay Street Toronto, Ontario M5H 2T8

February 15, 1980

Dr. R.L. Watts, Chairman, Council of Ontario Universities, 130 St. George Street, Suite 8039, Toronto, Ontario.

#### Dear Dr. Watts,

During the recent discussions with COU, it became clear that you would appreciate some comments on program proposals when they first appear in the five-year plans. Pursuant to this, I am happy to send you the initial concerns of the Graduate Committee which were discussed at a recent meeting of Council. The Graduate Committee believes that these are some of the questions that both COU and Council will have to address in the future.

Since the Graduate Committee did not know the exact content of the proposals when it reviewed the plans, its questions could be framed only within the context of the need criterion.

#### Division A

### Canadian Literature:

Will the need for this doctoral program be reviewed in the light of how many doctoral programs in English and French offer Canadian Literature as an area of specialization?

### Classics:

Given that there are already six institutions offering master's programs in the Classics area, can a seventh be justified in terms of need?

#### Fine Arts - Film:

An MFA Film was approved for funding last year. Is another master's program in Film needed in the first quinquennium?

#### Fine Arts - Music:

Is there a need for additional master's and doctoral programs in this area (there are currently three master's and one doctoral)?

#### Fine Arts — Theatre:

Is another master's program in Theatre or Drama needed? If it is needed, should it not be offered at an institution with existing strength at the graduate level in the area of Fine Arts?

#### Fine Arts — Visual Arts:

There is at present one master's offering in Visual Arts in the province and five proposals in the five-year plans. Are any of the additional programs needed, and if so, how many? If an additional offering is required, should it not be offered at an institution with a history of strength in the entire area of Fine Arts?

#### French:

Is there a need for a ninth master's program?

#### Linguistics:

Based on the enrolment in the existing doctoral program, is there a need for another program?

### Spanish:

Is there a need for a sixth master's program in Spanish?

# Theology:

Should COU not review the area of graduate offerings in Theology, including programs offered at the universities and the Theological Colleges, before additional programs are contemplated?

#### Division B

### **Business and Administration:**

Is there a need for three more master's programs in a general area that appears to have some thirteen programs already? With respect to doctoral programs, Council voiced its concerns in Advisory Memorandum 78-III.

#### **Communication Studies:**

There already is one master's program in the province. Should not the progress of this one be observed before another is contemplated?

#### **Education:**

Seven MEd programs exist at the present time. Does Ontario need any more? Also, is there a need for another DEd program? If there is, perhaps COU should recommend where it should be, based on existing strengths in this discipline.

#### Geography:

Given that there are already twelve master's programs, is there a need for another

#### Law:

There are now four LLM programs in the province, none of which has a very high enrolment. Is another needed?

#### Physical Education & Recreation/Leisure Studies:

Seven master's programs were approved for funding last year. Could a need for additional programs in these disciplines be substantiated? Also, there are now two doctoral programs in the province. Is another needed in this quinquennium?

#### ocial Work:

There are already five master's programs in the province. Is there a need for another? With respect to the proposed DSW, Council discussed this with the institution concerned at some length during the 1979 Spring hearings.

## ociology:

Is there a need for a twelfth master's program?

#### Division C

### Computer Science:

There are six master's offerings in the general area of Computer Science and Information Science at the present time. With two exceptions enrolment in each program is relatively small. Does Ontario need any more master's programs?

### ingineering:

Considering the large number of master's programs that already exist, is there a need for any more? With respect to the doctoral proposal, there are already six doctoral programs in Mechanical Engineering. Is there a need for another?

#### Geology:

There are already several doctoral programs in the general area of Geology. If there is a need for more geologists, should not this need be met through existing programs?

### Mathematics:

With thirteen doctoral programs now being offered, is there really a need for another one?

#### Division D

Looking at the Division D proposals in general, major concerns would no doubt be hat the programs be of viable size and that they be offered by institutions with existing strengths in the areas in question. Division D already has a large number of very small programs.

#### lealth Behaviour.

Is it advisable to proceed with a doctoral program without the benefit of several years' experience with the master's program in this new area?

### nterdivisional

# Math and Philosophy:

Is there a need for this type of combined offering that cannot be met through existing approved programs?

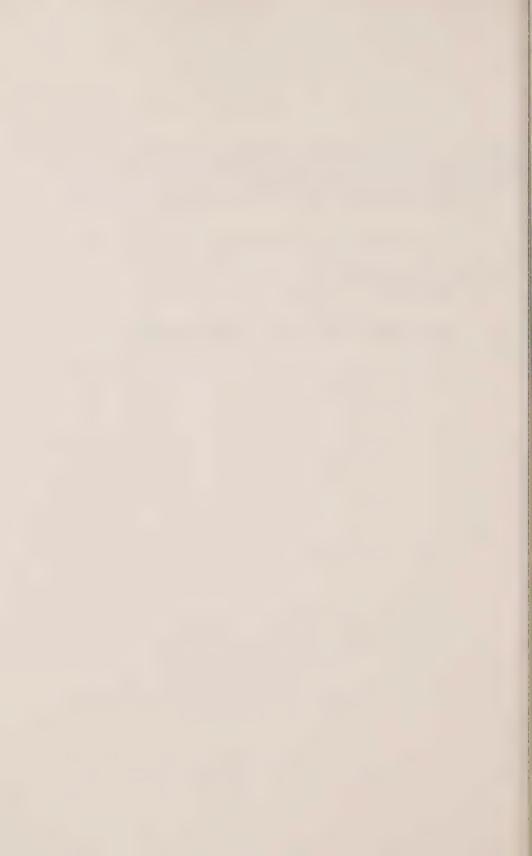
The Graduate Committee hopes that these preliminary comments will be useful to ACAP, OCGS and COU and also to the individual institutions. Naturally each of the proposals will have to be studied from the viewpoint of the funding criteria, the financial restraint facing the university system, developments in the graduate sector, and also the consistency of the program with the existing strengths of institution.

Yours sincerely,

W.C. Winegard Chairman

c.c. The Honourable Bette Stephenson, M.D.





#### 30-I The Ontario Graduate Scholarship Program, 1981-82

n this memorandum Council advises on the value of the Ontario Graduate Scholarship stipend and the number of awards.

Scholarship Eligibility

In the past, Council has consistently recommended that the Ontario Graduate Scholarship be open equally to citizens of Canada and to those persons who hold anded immigrant status as of the official annual closing date for scholarship applications (see Council recommendations 78-4, 77-1, 76-2 and 75-3). For the program years 1979-80 and 1980-81, Government changed the eligibility rules to allow candidates who had held landed immigrant status for at least one year prior to the application date to compete with Canadian citizens for the open awards. The Minister suggested, in a letter dated July 25, 1978 which announced the changes in the regulations, that "this is a very fair approach and one which should become a permanent feature of the program".

The OGS residency requirement is now consistent with the requirements for awards offered by the Social Sciences and Humanities Research Council (SSHRC) and with the requirements of both the federal and provincial student assistance programs. The rules remain, however, more restrictive than those which apply to the awards offered by the Natural Sciences and Engineering Research Council (NSERC) and the Medical Research Council (MRC). Both the NSERC and the MRC require landed immigrant status by the closing date for applications. Council retains the view that this

eligibility requirement best serves the principle of equality of opportunity.

Scholarship Stipend

Council's first memorandum concerning the Ontario Graduate Scholarship Program (Advisory Memorandum 75-III) contained the following statement:

It appears to Council that the very purpose of the Ontario Graduate Scholarship Program speaks in favour of according priority to improved stipends over an increased number of scholarships. A prestige award designed 'to encourage excellence in graduate studies' should carry a stipend sufficient to attract and nurture excellence in the face of increasingly financially attractive alternatives to graduate study and of economic pressures that detract from scholarly endeavour.

This commitment to the OGS as a prestige award, and the assignment of priority to the value of the award, has been re-affirmed by Council each year. In Advisory Memorandum 76-II Council noted that "What is clearly a prestige award should carry a stipend sufficient to attract and nurture excellence in the face of alternatives to graduate study". Advisory Memorandum 77-I mentioned "Council's considered opinion that the OGS should carry a stipend sufficient to attract and nurture excellence in graduate studies". In Advisory Memorandum 78-II Council suggested that an increased stipend was necessary "if the quality of the award program is to be maintained". Finally, Advisory Memorandum 79-I assigned priority to the value of the stipend "if the OGS award is to contribute significantly to the support of students of high quality".

Historically, Council's position has not received unanimous support from the various constituent groups within the university system. Unanimity still does not exist, as evidenced by the positions adopted by the Ontario Council on Graduate Studies and the Ontario Graduate Association, but Council has been encouraged by a growing acceptance of the position which it has consistently espoused. In particular, Council is encouraged by the draft report of the Chairman of the 1980-81 OGS Selection Board which states that "The present Board feels very strongly that the primary objective of the OGS program should be to encourage academic excellence". Academic excellence is enhanced by the presence in our universities of the very best graduate students, many of whom, when they graduate, will play an important role in the strengthening of Ontario's research and development base.

The continuing decline in the relative value of the OGS stipend is thus of concern to Council. Table I presents an historical comparison of the OGS stipend with the stipends of the federal prestige award programs. The figures show that the OGS is now approaching 50% of the value of an NSERC award and 60% of the value of an SSHRC award (compared to relative values of 75% and 85% respectively in 1974-75). This situation was exacerbated for 1980-81 when the OGS stipend was increased to \$4,890 (1.9%), compared to a 21.4% increase in the value of an NSERC award and a 16.4%

increase in the value of an SSHRC award.

Table	I

Comparative Scholarship Stipends				
	ogs	NSERC Stipends (PGS 1 & 2)	SSHRC Stipends (1st & 2nd PhD)	
1974-75	\$3,400*	\$4,050 to Oct. 1 \$4,500 from Oct. 1	\$4,000	
1975-76	\$3,400*	\$5,000	\$5,000	
1976-77	\$3,750	\$5,520	\$5,500	
1977-78	\$4,350	\$6,000	\$6,000	
1978-79	\$4,500	\$6,360	\$6,360	
1979-80	\$4,800	\$7,000	\$6,750	
1980-81	\$4,890	\$8,500	\$7,860	
% increase 1980-81 over 1974-75	43.8	109.9	96.5	

<sup>\*</sup> Adjusted to take account of the integration of fees into the stipend in 1976-77.

In absolute terms, the value of the OGS stipend has, most notably since 1977-78, failed to keep pace with the rate of inflation as measured by the Consumer Price Index. Table II presents an historical comparison of the OGS, NSERC and SSHRC stipend values in constant dollar terms. For the OGS stipend there has been a decline in value such that the current level is 14.4% below that of 1974-75. By contrast, the NSERC stipend is 25.0% higher than in 1974-75 and the SSHRC stipend 17.0% higher.

Table II					
Comparative Scholarship Stipends (In Constant Dollars 1974-75 = 100.0)					
	OGS	NSERC Stipends (PGS 1 & 2)	SSHRC Stipends (1st & 2nd PhD)		
1974-75	\$3,400	\$4,050 to Oct. 1 \$4,500 from Oct. 1	\$4,000		
1975-76	\$3,094	\$4,550	\$4,550		
1976-77	\$3,191	\$4,698	\$4,681		
1977-78	\$3,409	\$4,702	\$4,702		
1978-79	\$3,233	\$4,569	\$4,569		
1979-80	\$3,145	\$4,587	\$4,423		
1980-81	\$2,912	\$5,063	\$4,681		
% change 1980-81 over 1974-75	-14.4%	+25.0	+17.0		

If the OGS program is to function effectively as a scholarship program (which has always been, and continues to be, Council's position), it is clear that the value of the stipend must be significantly increased. Were the stipend to remain depressed, the program would lose its original purpose and instead become a student assistance program. Under these circumstances, a system whereby the awards were allocated directly by the institutions themselves (similar to the former Ontario Graduate Fellowship Program) would probably be a more effective arrangement. Alternatively, Government might distribute the funds as block grants to the institutions for graduate student assistance in the form of "grants-in-aid".

At the present level of stipend, Council wonders if the current significant expenditures of time and effort on the part of the large number of individuals associated with the OGS selection process is worth the effort. Clearly, a higher stipend is

imperative if the OGS is to be an effective scholarship program.

With respect to the stipend value which it wishes to recommend for 1981-82, Council has noted the following considerations. First, to restore the 1974-75 relationship between the OGS stipend and the federal awards would require an increase of approximately 32% in the value of the OGS stipend (to \$6,450) - ignoring the likely possibility that the stipend levels of the federal awards will increase again in 1981-82. Second, the report of the Chairman of the 1980-81 OGS Selection Board specifically recommends a value of "at least \$2,000 per term, even if this means a reduction in the number of awards".

Consequently, bearing in mind the enunciated purpose of the Ontario Graduate Scholarship Program and emphasizing the priority which Council feels must be assigned to the value of the stipend if the OGS award is to contribute significantly to the support of high quality graduate students, Council recommends to the Minister:

#### OCUA 80-1 ONTARIO GRADUATE SCHOLARSHIP STIPENDS, 1981-82

THAT, as a matter of first priority, Ontario Graduate Scholarships carry a minimum stipend of \$6,000 or \$2,000 per term in 1981-82.

#### **Numbers of Awards**

Table III presents an historical description of the number of Ontario Graduate Scholarship awards by category within the program.

Table III

	Number of OGS Awards (by Category)					
	Open	Institutional	Visa/LI	Total		
1974-75	850	150	(Quota)*	1,000		
1975-76	850	150	(Quota)*	1,000		
1976-77	850	150	(Quota)*	1,000		
1977-78	850	45	50	945		
1978-79	1,150	45	50	1,200		
1979-80	1,095	45	60	1,200		
1980-81	1,095	45	60	1,200		

<sup>\*</sup> Up to 10% of the awards could be allocated to landed immigrants or holders of student visas.

Since 1977-78, 45 institutional awards (9 per university) have been reserved for those universities having no doctoral programs. Council supports the continuation of the institutional awards for 1981-82, and accordingly recommends to the Minister:

OCUA 80-2 INSTITUTIONAL AWARDS TO UNIVERSITIES WITHOUT DOCTORAL PROGRAMS

THAT, up to 45 scholarships (9 per university) be institutional awards in 1981-82 for the universities having no doctoral programs.

Also since 1977-78, a certain number of awards has been reserved for "recent" landed immigrants and persons on student visas. Council supports the continuation of this category of scholarships for 1981-82 and accordingly recommends to the Minister:

OCUA 80-3 ONTARIO GRADUATE SCHOLARSHIPS TO RECENT LANDED IMMIGRANTS AND PERSONS ON STUDENT VISAS

THAT, up to 60 scholarships be reserved for persons who, at the time of application, are either student visa holders or have held landed immigrant status for one year.

Council realizes that at a stipend level of \$6,000, OGS funding would have to increase by 22.7% in order to maintain the total number of awards at 1,200. Council has no desire to see the number of awards decline, but firmly believes that priority should be assigned to the recommended value of the OGS stipend and, therefore, that the number of awards should be determined in relation to the increase in total funding available for the OGS program. Given a stipend value of \$6,000, Table IV shows the number of awards, by category, which would be available in a range of funding increases from 5% to 24%. For 1981-82, Council requests that the increase in funding for the Ontario Graduate Scholarship Program be within the percentage range shown in Table IV, and accordingly recommends to the Minister:

OCUA 80-4 NUMBER OF ONTARIO GRADUATE SCHOLARSHIP AWARDS IN 1981-82

THAT, consistent with the priority attached by Council to a 1981-82 stipend of \$6,000, the numbers of Ontario Graduate Scholarships available for:

- (a) open competition,
- (b) institutional awards at universities having no doctoral programs, and,
- (c) visa students and recent landed immigrants be determined in the manner illustrated in Table IV of this memorandum.

W.C. Winegard Chairman June 6, 1980

		Institutional Awards for Equal Distribution by Quota among Universities with no Doctoral Programs (No.)	40	40	40	40	40	40	40	40	40	40	40	45	45	45	45	45	45	45	45	45
	or 1981-82	Awards Available for Visa Students and Recent Landed Immigrants (No.)	51	52	52	53	53	54	54	55	55	56	56	57	57	58	58	59	59	09	09	61
Table IV	Number and Composition of OGS Awards for 1981-82 Under Alternative Funding Increases	Awards Available for Open Competition (No.)	936	945	954	963	973	982	992	1,000	1,010	1,019	1,029	1,032	1,042	1,051	1,061	1,070	1,079	1,088	1,098	1,107
	Number and Compos Under Alterr	Total Awards Possible at a Stipend of \$6,000 (No.)	1,027	1,037	1,046	1,056	1,066	1,076	1,086	1,095	1,105	1,115	1,125	1,134	1,144	1,154	1,164	1,174	1,183	1,193	1,203	1,213
		ercent Increases in Funding for 1981-82 over 1980-81	22	9	_	Φ	O	10	11	12	13	14	15	16	17	18	19	20	21	22	23*	24

#### 80-II Government Support for the University System in 1981-82

Council submits its advice on funding for the Ontario university system for 1981-82 bearing in mind the financial plight of the universities as documented in *System on the Brink*. Since that paper was written in the Summer of 1979, Council's apprehensions about the health of the system have not abated.

**Government Support in Perspective** 

Although the increase in operating grants made available to the universities in 1980-81 is an improvement over the previous two years, Council must point out that even with this improvement the funds available to the Ontario university system fall short of

meeting its basic financial needs.

Council's continued apprehensions about the health of the university system are borne out by its retrospective analysis of the funding for 1980-81. In Advisory Memorandum 79-VI, based on the inflation and enrolment change factors used in calculating the original funding recommendation, Council estimated that Government support would fall about \$15 million short of meeting Council's basic funding objectives for 1980-81. Using updated factors, which take into account higher inflation and more recent enrolment information, it appears that university revenue for 1980-81 may be as much as \$30.1 million short of the funds required. Furthermore, Council estimates that the accumulated shortfall in Government funding to the Ontario university system since its advice was last accepted (for 1977-78) will have grown to between \$61.9 million and \$75.1 million by the end of 1980-81.

In this connection, it is worth noting what has happened to the level of Provincial financial support vis-à-vis other provinces in Canada. During the five-year period for which comparable data are available (1974-75 to 1978-79), Ontario dropped from fifth to seventh place among all the provinces in provincial operating grants per full-time equivalent (FTE) student. In order for Ontario universities to have been funded at the same level of operating grants per FTE student as the weighted average of the other nine provinces in Canada in 1978-79, the Government of Ontario would have had to increase its operating grants by over \$83 million. Council has never formulated its advice on the basis of interprovincial comparisons, but it feels bound to point out that funding that is so significantly below the average of the other nine provinces gives concern for the relative quality of the Ontario university system as compared to those in

the other provinces.

With respect to Ontario, Council would like to reiterate the concerns it expressed in *System on the Brink* about the relative priority placed on university funding by Government in relationship to elementary and secondary school support. Further analysis also suggests that relative funding per student for the university sector has not kept pace with that for the Colleges of Applied Arts and Technology. If, for example, over the period 1973-74 to 1977-78 for which confirmed data are available, university operating grants per FTE student had increased at the same rate as operating grants per FTE student had increased at the chnology, the universities would have received an additional \$62.5 million in 1977-78 alone. Similarly, if university operating grants per FTE student had increased at the same rate as provincial grants per elementary and secondary school pupil, the university system would have received an additional \$101.2 million.

The consequences of underfunding are readily identifiable in three essential areas of university expenditures: salaries for faculty and staff, equipment and library purchases, and capital expenditures. The recently published study by the Conference Board in Canada, Compensation in Canada: A Study of the Private and Public Sectors, indicates that wages and salaries for non-academic positions in universities were at the low end of the public and private sectors included in the study. Less definitive figures from the Council of Ontario Universities (COU) indicate that faculty compensation has not kept pace with salaries in other sectors in the province. Despite some reductions in

<sup>.</sup> See Appendix A

In accordance with the Minister's acceptance of OCUA 79-12, revenue received from additional optional fees is not taken into consideration in this memorandum.

faculty and staff, and generally conservative wage and salary increases, global underfunding has also resulted in an unsatisfactory level of non-salary expenditures. In particular, expenditures on equipment and library acquisitions have declined in real terms in recent years. Finally, the low level of capital assistance available for major repairs, renovations and replacements does not provide sufficient funds to maintain the existing plant of the universities. This will pose serious problems in future years as the costs of poorly maintained plants escalate.

#### **Basic Funding Objectives for 1981-82**

For 1981-82, Council retains the funding objectives it has subscribed to for the last two years. These objectives are: (1) to offset inflationary trends, (2) to maintain levels of service commensurate with changes in enrolment, and (3) to adjust for predicted enrolment change.

#### The Cost of Council's Basic Funding Objectives for 1981-82

The method for costing Council's basic funding objectives follows closely the approach used in the last four years. The methodology and factors used to calculate the funds required are outlined below. Table I documents the results of the calculations.

Column 1: The 1980-81 Base - The base employed in Council's funding model is an estimate of university system expenditures in 1980-81. For the purposes of calculating the base, expenditures are assumed to equal the revenues that will accrue to the system in 1980-81. The base does not include the 1980-81 funding shortfall identified above. A detailed description of the derivation of this base is given in Appendix B.

The base expenditures include those of the fifteen provincially-assisted universities, the affiliated colleges, Ryerson Polytechnical Institute, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College. It is estimated that these base expenditures for the university system for 1980-81 will be \$1,064.1 million. These expenditures have then been distributed between salaries and fringe benefits, and non-salary items according to their corresponding share in the universities' budgets.

Column 2: Inflationary Trend Costs - For 1981-82, Council continues to rely upon the forecasted increases in the Consumer Price Index made by competent authorities and has selected the low end of these forecasts. Thus Council's funding calculation incorporates an inflation factor of 9.5% for salaries and fringe benefits.

In the last few years inflation in the prices of universities' non-salary items has exceeded the increase in the Consumer Price Index. From 1972-73 to 1978-79, the annual percentage change in the Ontario University Non-Salary Price Index has averaged 23.3% higher than the annual percentage change in the Consumer Price Index. For non-salary items, Council's inflation factor is 11.7%. This factor is derived by increasing the 9.5% salary inflation factor by 23.3%.

Column 3: Service Level Costs - In its advice each year, Council has made a provision for maintaining levels of service. The major component of the cost of maintaining these levels is a consequence of the uneven age distribution of the faculty complement. This age distribution generates a net cost in providing for progression through the ranks that Council continues to estimate at 2% of total universities' salary costs. Column 3 applies this 2% factor.

Following last year's approach, the special allowance for furniture and equipment replacement is not included in the funding model and is instead covered by a separate funding recommendation.

				Table I			
		The Cost o	f the Basic F	The Cost of the Basic Funding Objectives for 1981-82 (\$ millions)	for 1981-82		
	-	2	က	4	2	9	7
	1980-81 Base	Inflationary Trend Costs	Service Level Costs	Efficiency/ Rationalization Factor	Predicted Enrolment Change	Stabilization Factor	Cost of Basic Objectives for 1981-82
Expenditures							
Salaries and Fringe Benefits	860.9	80. 80.	18.9	4.8	9.6	4.8	961.6
Non-salary	203.2	23.8	0.0	<del></del>	2.3	- 1.2	227.0
TOTAL	1,064.1	105.6	18.9	- 5.9	11.9	0.9 -	1,188.6

Column 4: Efficiency/Rationalization Factor - Over the past several years, Council has repeatedly stated its view that the university system should be expected to search continuously for ways of reducing expenditures through increased efficiency and rationalization. Thus, Council has included in its advice each year a component to reflect this expectation. The factor has varied from -1.5% to the -0.7% that was used in last year's advice. Council has concluded that the principle behind the factor should continue to be recognized but, bearing in mind the evident difficulties documented in System on the Brink, that the value should be reduced to -0.5% for 1981-82.

Column 5: Predicted Enrolment Change - Data for 1979-80 indicate that enrolment increased by 0.4% in that year. This increase is attributable primarily to the substantial increase that occurred in first-year enrolment. Early in 1980, COU's Committee on Enrolment Statistics and Projections forecast a 0.9% increase in total enrolment in 1980-81. Data currently available show that the number of applications and of applicants for first-year entry in the Fall of 1980 are significantly above last year's level, suggesting the COU figure above may be an underestimate. These indicators of potential enrolment increases in second and third year in 1981-82, along with recent projections of 1981 Secondary School Honours Diploma graduates, suggest that enrolment in 1981-82 will likely increase by about 1% over 1980-81. Council has used this factor in Column 5 of its funding model.

Column 6: Stabilization Factor - In its funding advice for 1976-77, 1977-78 and 1978-79, Council applied a 50% discount factor to the predicted enrolment growth for those years. In its advice for 1979-80 and 1980-81, Council also applied a 50% discount factor to the predicted enrolment decline. This honoured the Minister's acceptance of the principle that both enrolment growth and enrolment decline should be discounted.¹ Council continues to support the principle of stabilization in funding with respect to enrolment change. In this year's advice, Council again applies the 50% discount factor to the predicted enrolment increase of 1%. In Column 6, 50% of the amount added in Column 5 has been subtracted.

Column 7: Cost of Basic Funding Objectives - The total cost of the basic funding objectives is derived in Column 7 by adding the figures in the first six columns of Table I. The resulting total of \$1,188.6 million is Council's estimate of the total cost of its basic funding objectives for 1981-82. This figure represents a 11.7% increase over the 1980-81 base. It should be reiterated that this estimate includes nothing to redress the financial strain already placed on the universities by the underfunding of the last three years.

The Cost to Government of Meeting Council's Basic Funding Objectives

An estimate of the cost of Government of meeting Council's basic funding objectives is shown in Table II. The estimate assumes that Other Revenue will remain at the predicted 1980-81 level of \$67.1 million and that Other Fee Revenue will be \$10.7 million, which is the 1980-81 level of other fee revenue adjusted for the predicted 1% increase in enrolment. Formula fee revenue, if adjusted only for the predicted 1% increase in enrolment for 1981-82, would be \$154.8 million. Subtracting these items from the Cost of Basic Funding Objectives of \$1,188.6 million results in a required funding level of \$956.0 million. Assuming that formula fee rates will increase by the same percentage as operating grants yields an additional \$19.3 million in formula fee revenue (bringing total Formula Fee Revenue to \$174.1 million) and a Cost to Government of \$936.7 million. This implies an increase of 12.4% for both formula fee rates and Government formula and non-formula grants.

<sup>1.</sup> See Minister's letter, March 23, 1977

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# Cost to Government of Meeting Council's Basic Funding Objectives for 1981-82: Provincially-Assisted Universities, Affiliated Colleges, Ryerson, OISE, OCA and Dominican College (\$ millions)

Cost of Basic Funding Objectives	1,188.6
Other Revenue	67.1
Other Fee Revenue	10.7
Formula Fee Revenue (assuming a 12.4% formula fee rate increase)	174.1
Cost to Government of Basic Funding Objectives	936.7
(Percentage increase in grants and formula fee rates)	( 12.4%)

Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

#### OCUA 80-5

FUNDING LEVEL FOR 1981-82 TO MEET THE COST OF COUNCIL'S BASIC OBJECTIVES IN FUNDING THE OPERATION OF PROVINCIALLY-ASSISTED UNIVERSITIES, RYERSON, THE ONTARIO INSTITUTE FOR STUDIES IN EDUCATION, THE ONTARIO COLLEGE OF ART AND DOMINICAN COLLEGE

THAT the \$833.1 million made available in 1980-81 through Government operating grants to the provincially-assisted universities and affiliates, Ryerson, the Ontario Institute for Studies in Education, the Ontario College of Art and Dominican College be increased, through equal grant and formula fee rate increases compensated by student assistance, to provide a 1981-82 funding level of \$956.0 million.

#### Special Institutional and Policy Matters

Special institutional and policy matters are not included in Council's basic funding calculation. Council's advice for 1980-81 covered the annual grant-in-aid to the Bar Admission Course of the Law Society of Upper Canada and the outstanding amount required to align bilingualism grants with the incremental costs, as documented by Council, of existing programs and activities. The recommendation for the remaining portion of the incremental costs of existing bilingualism programs was not accepted by Government.

Council continues to assert the need to fund the documented incremental costs of existing bilingualism activities. As a result, Council's recommendation for additional funding needs related to special institutional and policy matters again includes an amount for the grant-in-aid to the Bar Admission Course and an amount to cover the outstanding portion of the incremental costs of existing bilingualism activities. Accordingly, Council recommends to the Minister and the Lieutenant Governor in Council:

OCUA 80-6 FUNDING FOR 1981-82 FOR EXISTING BILINGUALISM PROGRAMS AND THE BAR ADMISSION COURSE

THAT \$1.1 million be provided in 1981-82 for the remaining portion of the documented incremental costs of existing bilingualism programs, and for a grant-in-aid for the Bar Admission Course.

**Equipment and Library Needs** 

Council reiterates the concerns expressed in last year's funding memorandum and in *System on the Brink* about the effect that underfunding is having on non-salary expenditures, notably scientific equipment and library acquisitions. The combination of the financial pressures facing the university system and the depreciated value of the Canadian dollar has had a particularly severe impact on these areas. As a result, there has been an alarming deterioration of equipment and a marked decrease in library purchases.

Last year Council recommended that \$8 million in additional funds be provided for equipment and library acquisitions. This recommendation was not accepted. Council's continued concern about the need to restore equipment and library collections has led

it to recommend again additional funds.

Accordingly, Council recommends to the Minister and Lieutenant Governor in Council:

OCUA 80-7 EQUIPMENT AND LIBRARY FUNDING FOR 1981-82

THAT \$8.0 million be provided in 1981-82 in addition to the amounts recommended in 80-5 and 80-6 in recognition of the need for special equipment and library acquisitions.

Capital Assistance

In recent years, capital assistance for major repairs, renovations and replacement projects has been extremely limited. For 1980-81, Council recommended that \$19.1 million be provided for new major repairs, renovations and replacement projects, but only \$4.5 million were made available for these purposes. It must be stressed that this degree of underfunding will cause problems in the future when large outlays of capital assistance will be necessary, and over the long term will be more costly than the annual provision of a reasonable level of funds, particularly for major repairs.

A level of 1% of the value of the space inventory in the universities has in the past been selected by Council as the minimum necessary annually for new major repairs, renovations and replacement projects. Council again uses this as a minimum level for 1981-82. The value of this space inventory has been adjusted by an appropriate inflation factor. Therefore, last year's recommendation for capital assistance of \$19.1 million has been increased by 11.1%, the most recent annual change in the Non-

Residential Building Construction Price Index (1978 to 1979).

Accordingly, Council recommends to the Minister and to the Lieutenant Governor in Council:

OCUA 80-8 LEVEL OF SUPPORT FOR MAJOR REPAIRS, RENOVATIONS AND REPLACEMENT PROJECTS IN 1981-82

THAT funds for capital assistance in 1981-82 be \$21.2 million for major repairs, renovations and replacement projects, plus any amount necessitated by carryovers and essential new construction.

#### Conclusion

Council realizes that the funding recommendations contained in this memorandum may seem high to a Government which has adopted a policy of expenditure restraint. However, Council stresses that adequate funding must be provided if Ontario is to have a university system capable of meeting the five goals enunciated by Council in *The Ontario University System: A Statement of Issues* and reiterated by the Minister. These goals are (1) to develop a more educated populace, (2) to educate and train people for the professions, (3) to provide for study at the highest intellectual level, (4) to conduct basic and applied research and (5) to provide service to the community.

The above goals, when taken in the context of a stated Government policy of maintaining accessibility and program quality, cannot be met with the funds now allocated. The system is currently underfunded and is in decline. The funds recommended in this memorandum are the minimum that must be provided if Ontario is to arrest the decline of the university system in which it has invested so heavily.

W.C. Winegard Chairman June 6, 1980

#### Appendix A to Advisory Memorandum 80-II

This appendix outlines the derivation of the 1980-81 revised shortfall calculation. This shortfall estimate has been updated to reflect more realistic projections of inflation and enrolment change. The factor for salaries and fringe benefits has been increased from the 8.0% figure employed when the advice was first given to a figure of 9.5%. The 9.8% non-salary inflation factor found in Advisory Memorandum 79-II has been replaced by 11.7%. The most recent enrolment projections for 1980-81 now suggest a 0.9% increase in enrolment rather than the previously projected 2.0% decline. These updated factors, when applied to the original base, yield a figure of \$1,092.9 million. To this must be added the \$1.3 million in additional funds requested in recognition of Ryerson's institutional formula weight change. When this is taken into account, the cost of Council's revised basic funding objectives becomes \$1,094.2 million.

The estimated total funds available to the Ontario universities in 1980-81 have also been revised to reflect more accurately the level of Government grants, fee income, and other revenue to be received. \$833.1 million in operating grants have been made available to cover Council's basic funding objectives and Ryerson's formula weight change. This amount excludes the \$0.5 million used for the grant-in-aid for the Bar Admission Course. It is estimated that formula fee and other fee income, including the \$50 Ryerson formula fee rate increase, will equal \$163.9 million after the projected enrolment increase of 0.9% is taken into account. Other revenue is estimated to be \$67.1 million. This implies that the revised figure for total revenue available to the

system is equal to \$1,064.1 million.

Thus Council estimates university revenues for 1980-81 will be \$30.1 million (\$1,094.2 million - \$1,064.1 million) less than that required to meet its revised basic funding objectives.

#### Appendix B to Advisory Memorandum 80-II

This appendix outlines the derivation of the 1980-81 base used in Council's funding calculation. For the purpose of the calculation, it is assumed that university system expenditures will equal total revenues. Table A-I provides a breakdown of 1980-81 revenues by type.

#### FORMULA AND NON-FORMULA GRANTS

The figure of \$833.1 million for Formula and Non-Formula Grants is derived by subtracting \$5.2 million in net line-item grants (the original \$6.0 million in line-item grants less the \$0.8 million transferred to formula grants to accommodate the formula weight increase for Ryerson Polytechnical Institute) and \$0.5 million used for the grant-in-aid for the Bar Admission Course from the \$838.8 million in operating grants announced by the Minister on December 31, 1979.

#### FORMULA FEES AND OTHER FEES

In past years' advice, total expected tuition and other fee revenues have been included in the funding base. As a result of the change in tuition fee policy for 1980-81, which gives the universities a degree of discretionary power in setting their actual tuition fee rates above formula fee rates, Council has modified the fee revenues included in the funding base. Council has included only revenues from formula fees and other fees in the funding base, excluding any revenues accruing to the universities as a result of the application of their discretionary tuition fee power. The \$153.3 million figure for Formula Fee Revenue used in the base is calculated by applying the 1980-81 formula fee rates to 1979-80 enrolment and adjusting for the predicted increase in enrolment for 1980-81 (a 1% increase in undergraduate enrolment, no increase in graduate enrolment and an overall increase of 0.9%). It should be noted that this figure includes supplementary foreign fee revenue and third-term graduate formula fees. The Other Fee Revenue of \$10.6 million was calculated from the university budget reports for 1980-81.

#### OTHER REVENUE

The Other Revenue figure of \$67.1 million is composed of municipal tax grants (\$7.8 million), Ministry line-item grants (\$5.2 million) and an estimated \$54.1 million in other sources of revenue. This last figure was compiled from the universities' reports on budgeted revenues for 1980-81.

# Table A-I University System Revenues 1980-81 Estimate (\$ millions) Formula and Non-Formula Grants\* 833.1 Formula Fees 153.3 Other Fees 10.6 Other Revenue\*\* 67.1

<sup>\*</sup> Excludes Ministry line-item grants and Bar Admission Course grant-in-aid.

Includes Ministry line-item grants

# 80-III Funding for Four New Degree Programs at Ryerson Polytechnical Institute

In Advisory Memorandum 78-IV, Council recommended a procedure to be followed by Ryerson Polytechnical Institute when it seeks approval for funding of existing unauthorized degree programs or for the funding of any new degree or diploma program. Following the approval by the Minister of Council Recommendation 78-17, Ryerson submitted, in February 1980, four new degree programs for funding approval. Each of the programs had been approved by the Academic Council of Ryerson for the quality of the program, by the Board of Governors as to financial viability and by a Program Assessment Committee as to societal need.

Council reviewed the material submitted by Ryerson and determined that the formal reports of the Program Assessment Committees had not been included. Because Advisory Memorandum 78-IV required not only the Program Assessment Committee's certification of societal need but also the actual Committee report, Ryerson was then asked for further details about how the Program Assessment Committees had functioned and the ways in which they had determined societal need.

On May 22, 1980, Ryerson supplied Council with a further elaboration of the procedures followed and again sought formal approval of the programs for funding. While some of the material addressed the need criterion more fully than in the original submissions, the documentation was still not as complete as Council had expected. The reason for this appeared to be the guidelines provided by Ryerson to the Program Assessment Committees. As part of the additional material, Ryerson provided copies of an internal document entitled "The Role of Program Assessment Committees" in which the following statement appears:

...since the crucial part of the work of a PAC is that it should exercise judgment in relation at least to a minimum number of questions, an attestation that this has been done and of a PAC's conclusion constitutes a fully adequate report.

It is evident, therefore, that some confusion exists as to the procedures to be followed in arriving at the Program Assessment Committees' estimations of societal need.

Council had expected a full report from each Program Assessment Committee as well as the certification of societal need. With this in mind, Council will insist that more complete documentation be provided by Ryerson when next it seeks approval for funding of an existing or new program. In particular, Council will require that the report of the Program Assessment Committee include the following information:

- (a) a list of all institutions, organizations, agencies and corporations whose opinions on need were sought by the Committee,
- (b) the formal response from those groups listed in (a), and,
- (c) the judgment of the Committee based upon (b) and its own knowledge.

For the programs now in question, on the basis of the evidence available to it, Council is of the opinion that the general intent of the procedures, as recommended by Council, has been followed. For each of the proposed four new degree programs there is certification that all three of Council's conditions for funding approval have been met. In addition, the two-year post-diploma degree program in Nursing has the approval of the Ontario Council of Health, which reviewed the proposal at the request of Council.

Accordingly, Council recommends to the Minister:

OCUA 80-9 FUNDING FOR NEW DEGREE PROGRAMS AT RYERSON POLY-TECHNICAL INSTITUTE

THAT the following programs be deemed eligible for formula support beginning in 1981-82, and that eligible enrolment from 1980-81 on be included in the moving average for Ryerson Polytechnical Institute:

- 1. Bachelor of Applied Arts Environmental Health
- 2. Bachelor of Applied Arts Nursing
- 3. Bachelor of Technology Applied Computer Science
- 4. Bachelor of Technology Technological Studies.

W.C. Winegard Chairman June 27, 1980

## 80-IV The Role of Ryerson Polytechnical Institute

During the past several years concerns have been expressed about the role of Ryerson Polytechnical Institute within the Ontario post-secondary educational system. The Ryerson five-year plan of 1976, for instance, caused Council to wonder if Ryerson planned to be Ontario's sixteenth university. More recently, Ryerson has compared itself with the British polytechnics, which grant diplomas and graduate and undergraduate degrees. Then, in the Spring of 1980, the President of Ryerson urged Government to define clearly the future role of the Institute, particularly with respect to research.

In this memorandum, Council responds in general to the need to define the role of Ryerson and, in particular, to a request from the Minister for a statement from Council

on the appropriateness of an applied research function at Ryerson.

Polytechnical education, defined in its broadest sense, is concerned primarily with the application of knowledge and the training of individuals for specific vocational purposes. Some varying portion of each program of study may be devoted to education in the liberal arts and sciences. Similarly, there may be variations in terms of depth of study and degree of theoretical analysis. However, despite these differences, polytechnical programs share a vocational orientation.

In its September, 1978 paper, *The Ontario University System: A Statement of Issues*, Council noted that Ryerson "is the only centre for polytechnical degree education in Ontario". Within the more general definition used above, however, it is evident that not all polytechnical education, at the post-secondary level, is confined to a single institution. The very nature of the Province's post-secondary educational system, and the way in which it has developed historically, influenced the way in which polytechnical education spread throughout the system. In fact, polytechnical programs exist in a variety of institutions within Ontario, including Ryerson, the Colleges of Applied Arts and Technology (CAATS), the Ontario College of Art, and the universities. Joint programs being developed by certain CAATs and universities also belong in this sphere of education.

It is in this context that Ryerson's role must be considered. Although it is the only institution to bear the label "polytechnic", it is not the only institution which has responsibilities in that area. The Institute occupies an altogether distinctive "middle position" within the post-secondary educational system, between the universities and the CAATs. The distinctiveness of this position has to do with the extent to which training for a vocation is the core of Ryerson's programs, whether at the diploma or

degree level.

Under the terms of the "Ryerson Polytechnical Institute Act, 1977", Ryerson may award diplomas and certificates and grant bachelor degrees in applied arts, technology and business management. The Act specifies that degree, diploma and certificate programs may be established, changed or terminated only after consultation with the Minister. The Act makes no provision for Ryerson to grant degrees in the "pure" arts and sciences nor does it permit Ryerson to grant graduate degrees. Ryerson is thus defined, by the Act, as an undergraduate institution oriented towards programs of an applied nature.

Council accepts the concept of Ryerson outlined in the Ryerson Act. The Act sets the parameters within which the Institute must operate and thus substantively defines its role. Ryerson possesses a mandate quite different from that of a university since the Institute's prime directive is to provide instruction in certain specified areas. Universities, by comparison, possess a more general mandate under which they may provide instruction in a wider variety of disciplines, conduct both basic and applied research and grant graduate degrees. Ryerson also differs from the CAATs in that it is authorized to offer programs at the degree level. The Act thus provides Ryerson with a unique specified role.

Ryerson's unique position is reflected in the nature and range of the programs offered by the Institute. Ryerson offers roughly equal numbers of diploma and degree programs, and several degree programs are offered as continuations of diploma programs. Thus a diploma program may be terminal or it may lead to a degree program often after some form of work experience. This type of "diploma-degree continuum" provides a distinctive opportunity for the Institute's students in the fields of applied arts, technology and business management. Council believes that the provision of this program mix is one of the most important features of the kind of polytechnical education provided by Ryerson. If the Institute's mandate were significantly altered, a void would be created which could not easily be filled by any other existing post-secondary educational institution.

For these reasons Council believes that Ryerson must remain devoted to certificate, diploma and undergraduate degree level instruction in the applied arts, business and technology. Its programs should continue to have both more breadth and more depth than the programs offered by the CAATs. Similarly, its programs should continue to be more oriented towards the practical and the "immediately useful" than the universities' arts and sciences program and, for that matter, the universities' programs in established professional disciplines. By offering such programs, which appeal to those students more oriented towards the immediate utilization of practical knowledge, Ryerson contributes to the development of Ontario's industrial/commercial base. Ryerson's programs should continue to relate directly to the market place; indeed, Ryerson's programs should fill either a current or anticipated market need or they should not exist.

There is at Ryerson a mechanism designed to ensure that the Institute's programs retain their market relevance. Each program has an Advisory Council composed of representatives of the various occupational groups affected by the existence of the program and into which the program's graduates are expected to move. By providing consistent and sustained feedback on such matters as the appropriateness of the academic curriculum or the practical training provided, each Advisory Council should establish an essential link between program and market, with significant reciprocal benefits. The existence and continued operation of its Advisory Councils should permit Ryerson to enhance the effectiveness of its teaching function.

Turning to the role of Ryerson in research, Council notes that there is no formal requirement for either the institution or its faculty to conduct either basic or applied research. Nevertheless, if the Institute is to train students successfully for specific occupations faculty members should be expected to keep up-to-date with the "state of the art" in the areas for which they are to provide such training. Individual faculty members, therefore, should again experience in the work place or take part in what might be termed applied research "in the field" rather than in laboratories or offices at Ryerson itself.

In Council's view, the applied nature of Ryerson's programs necessitates this degree of public and private sector involvement. Ryerson itself, in its 1980 Brief to Council, noted that research at the Institute "should be applied, closely associated with business and industry and intimately involved with undergraduate teaching".

A mechanism for facilitating direct involvement of faculty members with the public and private sectors lies in the expanded utilization of the Advisory Councils. If encouraged to be strong, vigorous and active, these Councils, with their market-related focus, should help faculty members to remain in touch with the needs and concerns of industry and commerce.

Council is aware that a significant number of Ryerson's faculty may appear to fall outside of the parameters described above. Those individuals within the Institute's "Academic Service Departments" (including the Departments of English, History,

Philosophy, Politics and Sociology) may be perceived as having less opportunity to engage in applied research. In fact, they have a unique opportunity to concentrate on the more general problems associated with the practical, technological aspects of industry and the market place. Their research activity may thus be of no less an applied nature than would be appropriate for other members of the Institute's faculty. Further, significant resources necessary for the support of such research exist outside of Ryerson - in the libraries of other institutions, in the experiences of external colleagues and in the interface between theory and practice which occurs "in the field". Faculty members in Ryerson's service departments are not restricted, therefore, by their institutional affiliation, but rather are provided with unique opportunities which result from that affiliation.

In Council's view, the need for practical relevance in Ryerson's programs and the need for the professional development of its faculty can and should be met without Ryerson assuming a formal role as a research institution. Council notes that there are various types of roles appropriate for different types of institutions. It was for this reason that Council, in Advisory Memorandum 79-V, suggested that Ryerson "is not a research institution in the same sense as the universities are research institutions".

Given the position which the Institute occupies within the post-secondary educational system and the specific academic orientation of its faculty, Council believes that Ryerson, as an institution, should not have a direct responsibility for either applied or basic research. The words "as an institution" in the previous sentence have a specific meaning in Council's view. They imply that Ryerson, unlike the universities but like the CAATs, should not be funded for the direct or indirect operating costs of research that are normally met from Government of Ontario operating grants to institutions with acknowledged roles in both basic and applied research. Instead, Ryerson must be recognized as an institution devoted to instructional activities and the maintenance of effective liaison with the public and private sectors - within which the Institute's graduates will work.

The faculty at Ryerson should be encouraged to do work "in the field". If an industry or government agency wishes to have testing or evaluation done at Ryerson,

the service should be offered on a complete cost recovery basis.

In summary, therefore, Council believes that Ryerson is, and should continue to be, primarily a teaching institution specializing in the polytechnical areas of applied arts, business and technology. Its programs are, and should remain, oriented directly to the market place. In many instances in the past Ryerson has made effective use of the Advisory Councils which exist for each program and it should continue, in an expanded way, to utilize the expertise of the industry, labour and government representatives involved with these Councils. Further, the Institute's applied orientation requires that faculty members be involved in activities in the public and private sectors which will enhance their instructional capabilities.

Council recognizes the important position which the Institute occupies within the Province's post-secondary educational system and the effective way in which it has discharged the responsibilities associated with that position. Within the framework of Council's definition, Ryerson itself must develop its strengths in order to best serve the

needs of the people of Ontario.

W.C. Winegard Chairman August 8, 1980

## 80-V Graduate Program Planning and Funding

During the early summer of 1980, Council received reports on Doctoral Program Data and Graduate Program Enrolment, 1979-80, from the Council of Ontario Universities/ Ontario Council on Graduate Studies (COU/OCGS). These reports were useful in providing Council with an overview of the graduate enterprise. In August 1980, Council received from COU/OCGS the annual report on graduate studies. The report contained documentation on the following six graduate programs which were being forwarded to Council for funding consideration:

- 1. Social Demography (PhD): University of Western Ontario
- 2. Art History (MA): Queen's University
- 3. Geology (MSc): Lakehead University
- 4. Symbolic Anthropology (MA): University of Western Ontario
- 5. Teaching (MA(T)/MSc(T) ): McMaster University
- 6. Speech Pathology (MHSc): University of Toronto

For each of the six recommended programs, COU/OCGS provided documentation the four criteria of need, uniqueness, appraisal and enrolment, as requested in Advisory Memorandum 79-VII. In that memorandum, Council also gave notice that, in considering new graduate programs in future, it would expect the supporting documentation to include "COU's assurance that the program should be funded despite restraint and also that the program is consistent with the aims, objectives and exisiting strengths of the particular institution". In this regard, in the letter transmitting the annual report, COU stated that:

...the funding recommendations are put forward in full appreciation of their implications under the current situation of severe financial restraint. In Council's (COU's) judgment, these programmes have a claim on funding equal to currently funded graduate programmes.

n the same letter, COU declined to provide its assurance that each recommended program was consistent with the aims, objectives and existing strengths of the particular university:

In recommending nine programmes for funding in January of this year, we stated that application of this factor would be premature since COU had not yet had an opportunity to discuss sufficiently, both internally and with OCUA, the appropriateness and feasibility of the new approach proposed by OCUA. We also noted that the process of defining institutional roles was still at an early stage. COU finds itself still in much the same position. Although OCUA's Spring hearings are now over, the resultant planned paper by OCUA on system differentiation is not yet available, and the process of defining institutional roles appears little more advanced. For our part, COU has not further discussed this factor, pending receipt of the report of its Special Committee to Review Graduate Planning....At this time, therefore, we must decline again to comment on the institutional appropriateness of the programmes put forward for funding.

Instead of providing Council with its collective assessment of the appropriateness of each program at the particular university, COU provided only the university's own assessment.

Council now finds itself in a difficult position. COU has declined to provide the requisite assurance of institutional appropriateness, but has not stated that it is beyond COU's capacity to provide such assurance. Further, in the ongoing discussions involving Council and representatives of the university community, the question has been openly raised as to whether COU is indeed in a position to judge the appropriateness of a program in relation to the aims, objectives and existing strengths of one of its member institutions.

While this question has been raised, it is far from resolved. Under the circumstances, it is Council's view that for it to recommend for funding any of the six proposed programs would be for Council to prejudge the resolution of this question. Thus, Council has not made any final assessment of the sufficiency of the documentation provided by COU/OCGS regarding the four criteria of need, uniqueness, appraisal and enrolment. Council has concluded that the wisest course of action at the present time is not to recommend any of the proposed programs for funding in 1981-82, but to open the possibility that, if current uncertainties are resolved within the next twelve months, a future recommendation to deem eligible for funding in 1982-83 any of the programs dealt with in this memorandum might include some measure of retroactivity. Specifically, Council would view it appropriate that, for any such program, all eligible enrolment from 1980-81 on be included in the appropriate moving average of the particular institution involved.

The effect of this position would be that, for 1981-82, the program in Speech Pathology at the University of Toronto would continue to receive formula funding support at the existing graduate diploma weight and the other proposed programs would not receive formula funding support. Accordingly, Council recommends to the Minister:

OCUA 80-10 FUNDING FOR PARTICULAR GRADUATE PROGRAMS IN 1981-82

THAT the following programs not be approved for formula funding support in 1981-82:

Program	University
Social Demography (PhD)	Western
Art History (MA)	Queen's
Geology (MSc)	Lakehead
Symbolic Anthropology (MA)	Western
Teaching (MA(T)/MSc(T))	McMaster

OCUA 80-11
FUNDING FOR THE MASTER'S PROGRAM IN SPEECH PATHOLOGY AT
THE UNIVERSITY OF TORONTO FOR 1981-82

THAT the MHSc program in Speech Pathology at the University of Toronto continue to receive formula funding support at the graduate diploma weight in 1981-82.

W.C. Winegard Chairman December 17, 1980

#### 80-VI The Allocation of the Government's Operating Support for the University System in 1981-82

By letter of January 21, 1981, the Minister informed Council that, for 1981-82, \$923.5 million in operating grants would be allocated to the university system. Of this amount, \$918.5 million will be made available to cover Council's basic funding objectives and the grant-in-aid to the Bar Admission Course. The remaining \$5.0 million will be

retained by the Ministry of Colleges and Universities for line budget items.

The Government also announced a 10.0 percent increase in formula fee rates for 1981-82. If this formula fee rate increase is applied to Council's estimate of 1981-82 enrolment (Advisory Memorandum 80-II), it will yield an estimated \$17.0 million in additional formula fee revenue. Based on this estimate of the increase in formula fee revenue, total grant and fee revenue accruing to the university system in 1981-82 is expected to equal \$1,104.5 million. This represents an increase of \$101.8 million or 10.15 percent in funding for the system from these two revenue sources over 1980-81.

Council notes that the \$918.5 million in operating grants for Council's basic funding objectives combined with the estimated formula fee increase of \$17.0 million falls \$22 million short of Council's basic funding objectives, and about \$31 million short of Council's total recommendations of \$965.1 million (\$956 million for basic funding objectives; \$1.1 million for the grant-in-aid to the Bar Admission Course and funding of existing bilingualism programs; and \$8.0 million for additional funds for equipment and

library acquisitions).

In the following sections of this memorandum, Council presents its advice on the distribution of the \$918.5 million that has been made available for operating grants. Council's recommendations for the allocation of this amount include advice to initiate a new category of funding: differentiation grants. They also provide advice on the size and distribution of Northern Ontario grants, bilingualism grants, supplementary grants, the grant-in-aid to the Bar Admission Course, a provision for final enrolment adjustment and the distribution by formula of the funds remaining after the above allocations.

#### **Differentiation Grants**

In the last few years, Council has repeatedly stated its belief that there is a need for system-wide rationalization. On such occasions, Council has emphasized that system rationalization should be achieved primarily through institutional role differentiation. Indeed, institution role differentiation and the identification of institutional strengths were major topics at Council's 1980 Spring hearings. In addition, Council devoted one of its 1980 discussion papers entirely to the topic of system rationalization.

Council believes that each institution must identify its existing strengths as a basis for planning and development, and channel its initiatives in relation to those strengths. Because of the great importance it accords institutional role differentiation, Council wishes to introduce in 1981-82 a new category of extra-formula funding: differentiation grants. Council considers that such grants are appropriate when an institution accepts a clearly differentiated role, demonstrates its intention to pursue its strengths efficiently and effectively, and requires special funding to do so. The renewal or continuation of such a grant would depend entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.

In this memorandum, Council recommends Trent University as the first recipient of a differentiation grant. In the course of its development, Trent has chosen to differentiate itself from the other institutions in the Ontario university system and has a particular role to play as the only institution in the Province engaged almost entirely in undergraduate Arts and Science instruction. It is clear that over the past few years Trent has been making an effort to maintain its distinct character while at the same time making progress toward a mode of operation more closely aligned to available resources. Council supports the efforts being made by Trent and believes that it is

This amount does not include any revenue that would accrue to the universities should they decide to exercise their freedom to charge tuition fees up to 10% above formula fee rates.

deserving of a differentiation grant in 1981-82. Council wishes to emphasize, however, that the renewal of this grant beyond 1981-82 is conditional upon Trent continuing to search for more efficient ways of carrying out its role as a primarily undergraduate Arts and Science institution. In addition, Council expects that Trent will make evident progress toward the pruning and consolidation of its graduate program offerings as discussed in Council's recent hearings with Trent. Council accordingly recommends to the Minister:

OCUA 80-12 DIFFERENTIATION GRANT FOR TRENT UNIVERSITY 1981-82

THAT a differentiation grant of \$1,400,000 be made to Trent University in 1981-82.

Council wishes to point out that since it is recommending a differentiation grant for Trent University, the institution is not considered for a supplementary grant for 1981-82.

#### **Northern Ontario Grants**

Council's policy of recommending that Northern Ontario institutions be given financial assistance in recognition of the fiscal problems associated with providing post-secondary education in that region continues for 1981-82. However, Council anticipates undertaking a thorough review of the Northern Ontario grants during the forthcoming year. For 1981-82, the annual value of the Northern Ontario grants to Lakehead and Laurentian universities and Laurentian's affiliated colleges is calculated according to the "mini-formula" outlined in Advisory Memorandum 75-VII. On the basis of this formula each grant is determined with reference to the prior year's Basic Operating Income. Accordingly, Council recommends to the Minister:

OCUA 80-13 NORTHERN ONTARIO GRANTS 1981-82

THAT Northern Ontario grants in 1981-82 be made in the following amounts:

Lakehead	\$1,668,000
Laurentian	1,618,000
Algoma	170,000
Hearst	98,000
Nipissing	250,000

#### **Bilingualism Grants**

In Advisory Memorandum 77-VI, Council documented the incremental costs of existing bilingualism programs and found that the level of bilingualism grants did not cover these costs. On the basis of these findings, Council recommended that additional funds be made available to overcome this shortfall over a two year period. One million dollars was requested and received for 1978-79. In 1979-80, only \$0.5 million of the remaining \$1.0 million requested by Council was made available by Government. Council requested in Advisory Memorandum 79-II and again in Advisory Memorandum 80-II that the remaining \$0.5 million be provided. Government did not meet either of these requests.

For 1981-82, therefore, the total funds available for distribution by Council are equal to the previous year's grant total increased by the percentage increase in total university operating grants between 1980-81 and 1981-82, namely 10.1%. Council has decided to recommend the final step in its policy of phasing in the distribution of bilingualism grants announced in Advisory Memorandum 77-VI. As a result, total available bilingualism grants would be allocated to institutions according to the incidence of incremental bilingualism costs as identified by Council's 1976-77 cost study.

Accordingly, Council recommends to the Minister:

OCUA 80-14 BILINGUALISM GRANTS 1981-82

THAT bilingualism grants in 1981-82 be made in the following amounts:

Ottawa	\$5,486,000
Laurentian	1,356,000
Glendon	173,000
Hearst	68,000
Sudbury	25,000
St. Paul	264,000

Supplementary Grants

In previous years, Council has adhered to a policy of reducing annually the supplementary grants to Lakehead, Laurentian and Trent universities. As a result of this policy, last year Laurentian University was removed from the list of institutions receiving supplementary grants and was awarded a terminal supplementary grant of \$100,000 for 1980-81. Laurentian University, therefore, is not considered for a supplementary grant in this memorandum. As explained earlier in this memorandum, Trent University is not eligible for a supplementary grant in 1981-82.

Lakehead University is, therefore, the only institution to be considered for a supplementary grant for 1981-82. In 1980-81, Lakehead University received a supplementary grant of \$250,000. Council remains of the opinion that the supplementary grant to Lakehead University should be reduced annually and therefore proposes that, for 1981-82, the amount provided to Lakehead in 1980-81 be reduced by \$100,000. Accordingly, Council recommends to the Minister:

OCUA 80-15 SUPPLEMENTARY GRANT FOR LAKEHEAD UNIVERSITY 1981-82

THAT a supplementary grant of \$150,000 be made to Lakehead University in 1981-82.

#### **Bar Admission Course**

For the past five years, Council has recommended that the grant-in-aid for the Bar Admission Course be increased by the same percentage as that accorded the university system as a whole. Council continues to follow this approach and proposes that the grant-in-aid for the Bar Admission Course for 1981-82 be increased by 10.1% over the \$516,000 allocated for 1980-81. Council accordingly recommends to the Minister:

OCUA 80-16
GRANT TO THE LAW SOCIETY OF UPPER CANADA ON BEHALF OF
THE BAR ADMISSION COURSE 1981-82

THAT a grant of \$568,000 be made to the Law Society of Upper Canada for support of the Bar Admission Course in 1981-82.

#### **Basic Income Unit Values**

As mentioned in the introduction of this memorandum, \$918.5 million has been made available by Government for distribution to the university system in 1981-82. Council has recommended that \$13.294 million of this amount be made available for Northern Ontario, bilingualism, supplementary and differentiation grants, and for the grant-inaid to the Bar Admission Course. An additional amount of \$1.230 million has been set aside by Council as the provision for final enrolment adjustment. This amount is intended to cover any difference between the estimated weighted enrolment for 1980-81 and the final enrolment figures. As shown in Table I, the funds set aside for nonformula grants and the enrolment adjustment are deducted from the \$918.5 million available for Council's allocative recommendations, leaving \$903.976 million available for distribution by formula grants. It should be noted that any unused portion of the provision for final enrolment adjustment will also be made available for distribution by formula grants.

Tab	le I	
Availability of Funds for I and Undergraduate Form		
Available for Council's Allocative Recomm	nendations	\$918,500,000
Deduct:		
Northern Ontario Grants	\$3,804,000	
Bilingualism Grants	7,372,000	
Supplementary Grant	150,000	
Differentiation Grant	1,400,000	
Bar Admission Course	568,000	
Sub-Total	\$13,294,000	
Provision for Final Enrolment Adjustment	1,230,000	
Total Deductions		14,524,000
Available for Distribution as Graduate		

Based on an amount of \$903.976 million being available for distribution by formula grants, the value of the undergraduate Basic Income Unit (BIU) is \$3,313 and the graduate BIU is \$3,229. The undergraduate BIU is applied in accordance with the undergraduate funding formula established by Council in Advisory Memorandum 76-VII. The graduate BIU is applied according to the method specified in Advisory Memorandum 78-III. Council accordingly recommends to the Minister:

OCUA 80-17 GRADUATE AND UNDERGRADUATE BIU VALUES FOR 1981-82

and Undergraduate Formula Grants

THAT for 1981-82, the graduate BIU value be not less than \$3,229 and the undergraduate BIU value be not less than \$3,313.

\$903,976,000

Tables II and III summarize the distribution of grants and Basic Operating Income which results from the recommendations contained in this memorandum. Table II records, by institution, the formula and non-formula grants recommended by Council for 1981-82, along with the grants totals for 1980-81 and the percentage increases in grants between the two years. Table III indicates the Basic Operating Income and non-formula grants of each institution for 1981-82, and allows for a comparison of the sum of these funds with the previous year's totals. Council notes that, although Basic Operating Income is a more accurate measure of revenue expected to accrue to the system than grants alone, the portion of Basic Operating Income which is based on fees may differ from the actual fee revenue collected by the system. An explanation of the basis for this difference and its implications is found in the Appendix to Advisory Memorandum 78-V.

W.C. Winegard Chairman January 30, 1981.

			1981-82	1981-82 Recommendations	S			
		radtro N			Supplementary Grant, Special	Total	Cac	
	Formula Grants <sup>2</sup>	Ontario	Bilingualism Grants <sup>3</sup>	Differentiation Grant	Enrolment Adjustment	Recom- mended <sup>4</sup>	Total Grants <sup>5</sup>	% Change
Brock	14,841					14,841	13,326	11.4
Carleton	45,889					45,889	42,240	8.6
Guelph	55,496					55,496	51,206	8.4
Lakehead	13,575	1,668			150	15,393	14,383	7.0
Laurentian	12,843	1,618	1,381			15,842	14,652	8.1
Laurentian (Algoma)	69					69	49	40.8
Algoma	1,101	170				1,271	1,221	4.1
Laurentian (Nipissing)						100	51	96.1
Nipissing	1,823	250				2,073	1,915	8.3
Hearst	301	98	68			467	440	6.1
McMaster	60,832					60,832	55,884	8.9
Ottawa	71,402		5,750			77,152	69,641	10.8
Queen's	63,249					63,249	57,422	10.1
Toronto	205,486					205,486	185,506	10.8
Trent	8,798			1,400		10,198	9,079	12.3
Waterloo	70,003					70,003	63,755	9.6
Western	92,753					92,753	83,991	10.4
Wilfrid Laurier	17,124					17,124	15,242	12.3
Windsor	38,760					38,760	36,022	7.6
York	70,043		173			70,216	63,301	10.9
OISE	13,359					13,359	12,150	10.0
Ryerson	40,358					40,358	36,368	11.0
Ontario College of Art	5,680					5,680	5,106	11.2
Dominican1	91					91	82	11.0
TOTAL	903,976	3,804	7,372	1,400	150	916,702	833,032	10.0
Bar Admission					568	568	516	10.1
Final Enrolment Adjustment					1,230			
Notes: 1. Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution	receives 50% fu	nding. The theolo	ogy schools receiving	100% funding are include	ded with the parent institut	ion.		

(\$ Thousands)

Dominican College receives 50% funding. The theology schools receiving 100% funding are included with the parent institution. 1981-82 formula grants are calculated using an undergraduate BIU value of \$3,313, a graduate BIU value of \$3,229 and formula fee rates increased by 10,0% over their 1980-81 levels.

Bilingualism grants for affiliated institutions are included with the parent institution.

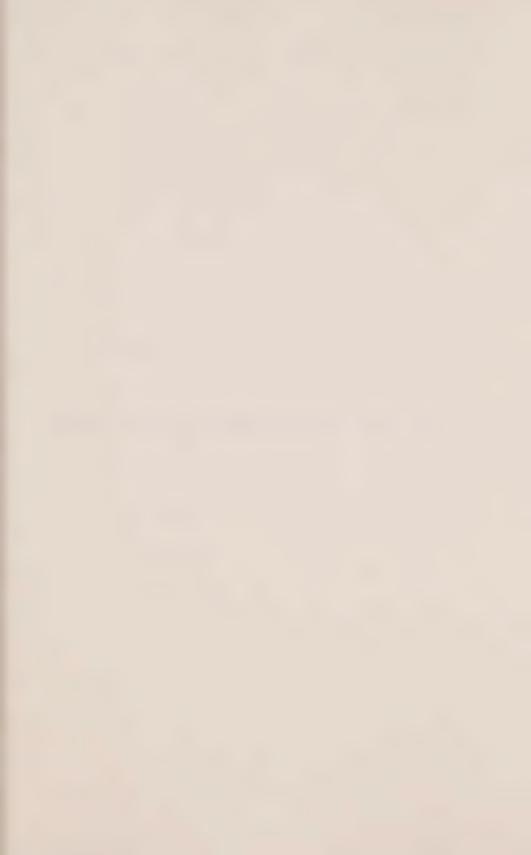
Total grants recommended of \$916.702 million plus \$0.568 million for the Bar Admission Course plus \$1.230 million as a provision for final enrolment adjustment equals \$918.5 million. - 0. w 4.

1980-81 grants were calculated using an undergraduate BIU value of \$3,023 and a graduate BIU of \$2,947.

the total sum available.

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				Table III				
Dist	tribution of	Basic Oper	ating Income a	ind Grant Recomn (\$ Thousands)	Distribution of Basic Operating Income and Grant Recommendations in Advisory Memorandum 80-VI (\$ Thousands)	sory Memorandun	n 80-VI	
			198	1981-82 Recommendations	ations			
	Basic Operating Income (BOI) <sup>2</sup>	Northern Ontario Grants	Bilingualism Grants³	Differentiation Grants	Supplementary Grant, Special Grant & Final Enrolment Adjustment	BOI Plus Northern, Bilingualism, Differen- tiation, Sup- plementary & Special Grants	1980-81 BOI <sup>4</sup> plus Northern, Billingua- Iism, Sup- plementary & Special Grants	% Change
Brock	17 901					17,901	16,084	11.3
Parleton	55 625					55,625	51,188	8.7
Guelph	64.387					64,387	59,395	8.4
akehead	16.392	1.668			150	18,210	16,984	7.2
aurentian	15,882	1.618	1,381			18,881	17,451	8.2
l aurentian (Algoma)	84					84	09	40.0
Algoma	1,481	170				1,651	1,583	4.3
aurentian (Nipissing)	121					121	62	95.2
Nipissina	2,264	250				2,514	2,326	8.1
Hearst	405	98	89			571	538	6.1
McMaster	70.991					70,991	65,197	8.9
Ottawa	84,129		5,750			89,879	81,114	10.8
Queen's	73,683					73,683	66,822	10.3
oronto	237,356					237,356	214,185	10.8
Frent	11,050			1,400		12,450	11,163	11.5
Waterloo	83,240					83,240	75,715	6.6
Western	109,689					109,689	99,331	10.4
Wilfrid Laurier	21,197					21,197	18,885	12.2
Windsor	46,614					46,614	43,300	7.7
York	84,908		173			85,081	76,793	10.8
OISE	14,677					14,677	13,353	9.9
Rverson	46,848					46,848	42,202	11.0
Ontario College of Art						6,765	6,077	11.3
Dominican1	149					149	134	11.2
TOTAL	1,065,838	3,804	7,372	1,400	150	1,078,564	979,942	10.1
Bar Admission					568	568	516	10.1
Final Enrolment					1,230			



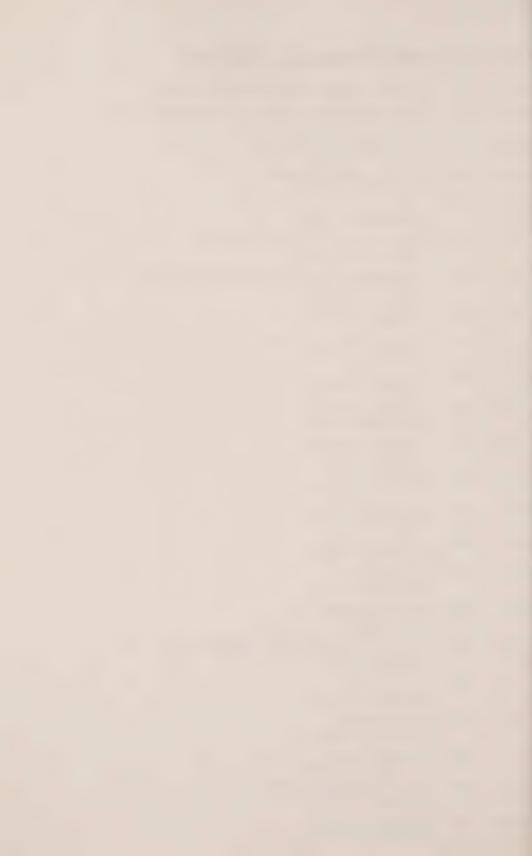


**OCUA PUBLIC MEETINGS**, 1980-81



## **OCUA Public Meetings**, 1980-81

	• /
Date	Institution or Organization and Place of Meeting
April 18, 1980	Ontario Confederation of University Faculty Associations (Queen's Park, Toronto)
April 18, 1980	Ontario Federation of Students (Queen's Park, Toronto)
April 18, 1980	Council of Ontario Universities (Queen's Park, Toronto)
April 19, 1980	Ontario College of Art (Queen's Park, Toronto)
April 19, 1980	Ontario Institute for Studies in Education (Queen's Park, Toronto)
April 19, 1980	Confederation of Ontario University Staff Associations (Queen's Park, Toronto)
April 25, 1980	University of Guelph, (University of Waterloo)
April 25, 1980	University of Western Ontario (University of Waterloo)
April 25, 1980	Wilfrid Laurier University (University of Waterloo)
April 25, 1980	University of Windsor (University of Waterloo)
April 26, 1980	University of Waterloo (University of Waterloo)
May 9, 1980	Carleton University (University of Ottawa)
May 9, 1980	Queen's University (University of Ottawa)
May 9, 1980	University of Ottawa (University of Ottawa)
May 9, 1980	Trent University (University of Ottawa)
May 15, 1980	Lakehead University (Nipissing University College)
May 16, 1980	Laurentian University, Algoma University College Collège de Hearst, Nipissing College (Nipissing College)
May 23, 1980	York University (University of Toronto)
May 23, 1980	Brock University (University of Toronto)
May 23, 1980	McMaster University (University of Toronto)
May 23, 1980	Ryerson Polytechnical Institute (University of Toronto)
May 24, 1980	University of Toronto (University of Toronto)



OCUA RECOMMENDATIONS AND GOVERNMENT RESPONSES, 1980-81



## OCUA Recommendations and Government Responses, 1980-81

Recommendations			
Number Title Response			
	Memorandum 80-I		
80-1	Ontario Graduate Scholarship Stipends, 1981-82	Partial Acceptance	
80-2	Institutional Awards to Universities without Doctoral Programs	Accepted	
80-3	Ontario Graduate Scholarships to Recent Landed Immigrants and Persons on Student Visas	Accepted	
80-4	Number of Ontario Graduate Scholarship Awards in 1981-82	Accepted	
Advisory Memorandum 80-II			
80-5	Funding Level for 1981-82 to Meet the Cost of Council's Basic Objectives in Funding the Operation of Provincially-Assisted Universities, Ryerson, The Ontario Institute for Studies in Education, The Ontario College of Art and Dominican College	Not accepted	
80-6	Funding for 1981-82 for Existing Bilingualism Programs and the Bar Admission Course	Not accepted	
80-7	Equipment and Library Funding for 1981-82	Not accepted	
80-8	Level of Support for Major Repairs, Renovations and Replacement Projects in 1981-82	Not accepted	
Advisory Memorandum 80-III			
80-9	Funding for New Degree Programs at Ryerson Polytechnical Institute	Accepted	
Advisory Memorandum 80-IV Accepted as basis for policy			
Advisory	Memorandum 80-V		
80-10	Funding for Particular Graduate Programs in 1981-82	Accepted	
80-11	Funding for the Master's Program in Speech Pathology at the University of Toronto for 1981-82	Accepted	
Advisory Memorandum 80-VI			
80-12	Differentiation Grant for Trent University 1981-82	Accepted	
80-13	Northern Ontario Grants 1981-82	Accepted	
80-14	Bilingualism Grants 1981-82	Accepted	
80-15	Supplementary Grant for Lakehead University 1981-82	Accepted	
80-16	Grant to the Law Society of Upper Canada on Behalf of the Bar Admission Course 1981-82	Accepted	
80-17	Graduate and Undergraduate BIU Values for 1981-82	Accepted	

